OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

118-0102026-002

Agenda Item **Nos. 5(b) and 5(c)**
Meeting of April 7, 2026

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed $5,000,000 with Transbay Block 4 West, LP, a California limited partnership, for the development of approximately 314 affordable rental housing units at Transbay Block 4 West; Transbay Redevelopment Project Area

Authorizing an Infrastructure Development Agreement in an amount not to exceed $1,000,000 in predevelopment funds with Transbay 4 Tehama LLC (an affiliate of Transbay Block 4 West, LP), a California limited liability company, to design and engineer the East Tehama Street extension adjacent to Transbay Block 4; and providing notice that this action is within the scope of the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report, a Program EIR, and is adequately described therein for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area

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EXECUTIVE SUMMARY

Mercy Housing California ("Mercy") and Young Community Developers ("YCD"), together the "Co-Developers" or "Sponsors" of a planned affordable housing development on Transbay Block 4 West (the "Site" or "Block 4W"), are requesting approval for an Exclusive Negotiations Agreement ("ENA") and a predevelopment loan of up to $5,000,000. The Sponsors have proposed a development program for the Site that will include approximately 314 units of affordable family rental housing and ground-floor commercial space (the "Project"). Additionally, the Sponsors are requesting approval for an Infrastructure Development Agreement in an amount not to exceed $1,000,000 to fund predevelopment costs related to the development of East Tehama Street (the "Tehama Improvements") on a parcel adjacent to the Site (the "Tehama Site").

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Block 4W is an approximately 26,400 square foot rectangular portion of the larger Transbay Block 4 ("Block 4"), bounded by Howard Street to the north, the planned Tehama Street extension to the south, Beale Street to the west, and an approximately 18,975 square foot eastern portion of Transbay Block 4 to the east ("Block 4E"). The Project will include, 311 units of affordable family rental housing and 3 managers' units (314 units), as well as resident amenities and open space, approximately 4,200 square feet of ground floor commercial space, and related streetscape improvements. Housing units in the Project will be affordable to households earning 30-60% of area median income ("AMI") as defined by the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"). To the extent that rental or operating subsidies are available, the Co-Developers will seek funding to provide units affordable to households earning 0-30% of AMI. All units in the Project will be affirmatively marketed to, and a preference will be provided to persons displaced by prior redevelopment action and their descendants ("Preference Holders").

As discussed in the Informational Memorandum at the October 21, 2025 Commission meeting (Attachment 1), OCII issued a Request for Proposals ("RFP") in May 2025 to develop, own, and operate mixed-use affordable rental housing units at the Site, including units set aside (per policies of the City and County of San Francisco or the "City") for households experiencing homelessness, subject to the availability of funding, and to develop and construct East Tehama Street for subsequent acceptance by the City. Two teams responded to the RFP with complete proposals in July 2025, and the following month, OCII convened an evaluation panel. Based on the selection criteria set forth in the RFP, the evaluation panel recommended the selection of the team led by Mercy and YCD with Kennerly Architecture & Planning/SCB as lead architect ("Architect"), Mercy Housing Management Group as property manager, and Episcopal Community Services as the supportive services provider. The Sponsors have established Transbay Block 4 West, LP as the development entity for the Project and Transbay 4 Tehama LLC as the development entity for the Tehama Improvements.

The Sponsors are seeking to enter into an ENA (Attachment 3) and a Predevelopment Loan Agreement (Attachment 4) of $5,000,000 for the Project's predevelopment. The loan request was approved by the Citywide Affordable Housing Loan Committee ("Loan Committee") on March 6, 2026, subject to certain terms and conditions contained in the attached loan evaluation (Attachment 2) and incorporated within the Predevelopment Loan Agreement. The requested funding amount is included in OCII's fiscal year 2025-2026 Recognized Obligations Payment Schedule ("ROPS"), line number 406. The Sponsors are also seeking conditional authorization to enter into an Infrastructure Development Agreement (Attachment 5) of $1,000,000 for the Tehama Improvements' predevelopment. The Infrastructure Development Agreement funding amount is included in OCII's fiscal year 2026-2027 ROPS line number 431. The 2026-2027 ROPS is currently under review by the California Department of Finance. The Commission's authorization to enter into the Infrastructure Development Agreement is thus conditional upon Department of Finance Approval and effective only upon the start of the 2026-2027 fiscal year on July 1, 2026.

Staff recommends that the Commission authorize the Exclusive Negotiations Agreement, the Predevelopment Loan Agreement, and the Infrastructure Development Agreement.

BACKGROUND

Transbay Affordable Housing Development
The Transbay Redevelopment Project Area ("Project Area"), established in 2005, calls for the redevelopment of approximately 40 acres of property (approximately 10 acres of which was formerly occupied by state-owned uses and structures encompassing a portion of the Embarcadero Freeway) into a vibrant downtown neighborhood. The Transbay Redevelopment Plan is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority ("TJPA"), and Caltrans. The Project Area is divided into two zones: Zone 1 is implemented by OCII and Zone 2 is implemented by the City's Planning Department (Block 4W is in Zone 1). When completed, Transbay (including both Zone 1 and Zone 2) will include:

- Approximately 4,572 new residential units, a minimum of 35% of which are required by the Redevelopment Plan to be affordable;
- Roughly 2.6 million square feet of office space and 200,000 square feet of retail space;
- Nine acres of parks, including the 5.4-acre Salesforce Park (located on the roof of the Salesforce Transit Center), the approximately 1-acre Block 3 Park (to be located directly south of Block 4W), and the approximately 2.5-acre Under-Ramp Park;
- Streetscape improvements, including the redesigned Folsom Street, widened sidewalks, bicycle facilities, and pedestrian-oriented alleys; and
- Significant transportation improvements, including the Salesforce Transit Center, a hub connecting regional transit systems and serving as the future terminus for Caltrain and high-speed rail.

Within Zone 1, there are a total of twelve OCII development blocks. To date, a total of 2,347 residential units have been completed across these blocks (Blocks 1, 2W, 6, 7, 8, 9, 11a), 841 of which are affordable to low-income households. Another 184 units are under construction (Block 2 East, approved by the Commission in 2024). Additional housing units are planned for Block 4W (the subject of this memorandum), Block 4E, and Block 12.

The Project Area also features new commercial developments. Construction is complete on Salesforce Tower (Parcel T, Zone 2), which features 1.4 million square feet of office space and 10,600 square feet of retail, and on Park Tower (Block 5, Zone 1), which includes 767,000 square feet of office space and 8,642 square feet of retail.

RFP Summary
On May 8, 2025, OCII released an RFP seeking a team to develop, own, and operate mixed-use affordable rental housing units, including units set aside for households experiencing homelessness (subject to the availability of funding), on Block 4W, and to develop and construct a segment of East Tehama Street adjacent to the Site, to be transferred upon completion to the City for use as a public street. The RFP sought submittals from qualified teams comprised of a lead non-profit or for-profit developer, a non-profit co-developer, a property manager, a supportive services provider, and an architect. Applicants were also asked to identify a responsible party for implementing a Workforce and Contracting Action Plan ("WCAP"), either a representative from one of the developer organizations or an outside consultant.

The RFP asked that applicant teams submit proposals to develop, own, and operate two affordable rental housing projects on the Site that serve low-income families and low-income seniors separately. Additionally, applicant teams were asked to submit an alternative development scenario for a single affordable project on the Site and to assess the merits and drawbacks of a single-building scenario vs a two-building scenario.

Outreach and notification of the RFP was provided to the Council of Community Housing Organizations ("CCHO"), community groups, developers, architects, property management companies, supportive service providers, contractors and other community stakeholders through OCII Citizens Advisory Committee ("CAC") and Small Business Enterprise ("SBE") email lists, and lists from the Department of Homelessness and Supportive Housing ("HSH"). The RFP was posted on OCII and City websites and advertised in local newspapers, including: Bay Area Reporter, El Tecolote, SF Bay View, SF Daily Journal, SF Examiner, Sing Tao Daily, Small Business Exchange, and Sun Reporter.

OCII received two complete proposals in response to the RFP, and both teams were interviewed by an interdisciplinary evaluation panel. Proposals were evaluated and scored using a matrix set forth in the RFP. Based on scoring, the evaluation panel recommended the applicant team led by Mercy and YCD.

The Evaluation Panel noted that the proposal from Mercy and YCD included, among other things, a comprehensive vision and concept that prioritized resident well-being through thoughtful design, affirmative/targeted outreach, a comprehensive assessment of the Project's financial feasibility, and a detailed WCAP.

Upon completion of the Project, OCII's assets related to Block 4W will be transferred to MOHCD, which is the designated Housing Successor Agency under Redevelopment Dissolution Law. MOHCD reviewed the RFP, participated in the panel evaluation, and will also review and comment on the Project's financial underwriting and funding and disposition documents to ensure a smooth transition to MOHCD at project completion.

DISCUSSION

Development Program

The preliminary proposed Block 4W development program is outlined below:

Block 4W Development Program (Preliminary)	
Number of units	314 in a single building
Unit types**	80 one-bedroom (25%) 156 two-bedroom* (50%) 78 three-bedroom* (25%)
Commercial	4,200 SF
Population	Low-income families (40%-60% AMI) Formerly homeless families (30%-50% AMI)***
Parking	Vehicle: No residential parking Bicycle: Class I bicycle parking spaces at a ratio of 1:1
Resident amenities/ community spaces	Amenities to be determined throughout predevelopment and may include: • Community room with kitchen • Central landscaped open space parcel • Roof terraces • Laundry/lounge rooms on every floor • Property management and resident services offices • Generous lobby with package lockers
Streetscapes and sidewalks	Howard Street, Beale Street, and East Tehama Street sidewalks and streetscape improvements
Tehama Improvements	Roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards.

*Includes two (2) two-bedroom manager's units and one (1) three-bedroom manager's unit
**Sponsors will explore the possible inclusion of larger four- and five-bedroom units
*** The inclusion of units set-aside to serve families experiencing homelessness is subject to the availability of Local Operating Subsidy ("LOSP") or similar operating or rental subsidies.

As noted above, the RFP requested that applicants provide an alternative development scenario for a single building and assess the associated merits and drawbacks. The Sponsors recommended proceeding with the single building scenario. Staff has reviewed the Sponsors' recommendation and concurs with this direction after extensive analysis. This approach yields substantial layout and operational efficiencies by eliminating duplicative building systems and functions (such as separate trash rooms, elevators, loading bays, and lobbies), resulting in improved space planning, reduced construction and operating costs, and greater flexibility in ground-floor design. Staff's review included meetings with the development team and external project managers of comparable large affordable housing projects, analysis of written findings, consultation with MOHCD, and a review of preliminary financing. While precedent for affordable high-rise projects of this scale is limited, Staff will continue to work closely with the Sponsors to ensure long-term operational viability and high-quality building performance.

Preliminary Design Concept

Preliminary massing envisions a 24-story building with a 4,200 square foot ground-floor commercial space anchoring the corner of Howard Street and Beale Street, stepping down to approximately 7-stories along the planned East Tehama Street for units with townhome-style frontages and stoops facing the future Block 3 park. Throughout predevelopment, the Sponsors will engage Preference Holders and review available Preference Holder data to determine housing needs and desires, and recommend a program and design that is responsive to these findings. The Architect will continue to refine the basic concept design for the Project and will submit a Schematic Design for OCII and Commission review and approval. As a condition to the predevelopment loan, the Sponsors will further analyze development scenarios that balance unit mix, unit sizes, and financial sources, including OCII subsidy.

Neighborhood Amenities and Transit Access

The Transbay neighborhood is rich in amenities. There are numerous retail outlets within walking distance of Block 4W or reachable by a short bicycle ride or Muni. Woodlands Market, a pharmacy, post office, the Embarcadero YMCA, and several restaurants are located within half a mile of the Site. Target, Safeway, Trader Joe’s, Whole Foods, and the Ferry Building farmer’s market are located within one mile of the Site.

The Site is within a mile and a half of the Bessie Carmichael Elementary and Middle School campuses, Gordon J. Lau Elementary School, the Chinese Education Center, and John Yehall Chin Elementary School.

At buildout, the Project Area will include over nine acres of new parks. The completed Salesforce Park is located half a block from the Site. The planned Block 3 Park will be across the street, and Under Ramp Park will be located approximately two blocks west of the Site. The Guy Place Mini Park is located three blocks away, and the existing Rincon Park and adjacent San Francisco Bay Trail are two blocks from the Site.

Block 4W is well served by local and regional transit. The Site is one block from the Salesforce Transit Center, which provides regional transit as well as Muni bus connections to neighborhoods throughout San Francisco. The Site is also less than half a mile from the Embarcadero BART station and multiple Muni rail lines along Market Street and the Embarcadero.

The Project Area features significant bicycle infrastructure, with some bicycle lanes already completed (including dedicated east/west bicycle lanes on Folsom Street and temporary dedicated lanes on Howard Street), and additional planned improvements including two-way cycle tracks on Beale Street and Howard Street.

Marketing and Leasing Preferences

In the event there are units set-aside to serve families experiencing homelessness, households for those units (approximately 63) will be referred to the Project by HSH through the Coordinated Entry System, with preference given to Certificate of Preference Holders (including descendants). All remaining affordable units will be marketed and leased through early outreach to Preference Holders, broad marketing and outreach, and applications and a lottery through the MOHCD DAHLIA digital housing portal system.

Prospective tenants will be prioritized in accordance with preferences established in City Affordable Housing Programs, approved by the Commission in April 2019. The preferences applicable to Block 4W are:

1. Certificate of Preference Holders (including descendants)
2. Displaced Tenant Preference Program (20% of lottery units)
3. Neighborhood Resident Housing Preference (25% of lottery units if there is State funding, increases to 40% if there is no State funding)
4. San Francisco residents or workers

The Sponsors will be required to provide early outreach and marketing plans that describe specific efforts to engage the Preference Program participants.

Exclusive Negotiations Agreement

The ENA establishes development expectations for Block 4W and the Tehama Improvements, including the overall development program and key milestones. The ENA authorizes the Sponsors to pursue predevelopment activities leading to the execution of a long-term ground lease for the Site. Per the ENA, a $10,000 performance deposit will be due to OCII at the time of the execution of the ENA, which will be held by OCII until construction completion.

The term of the ENA is through April 7, 2029. The ENA allows for extension of up to 12 months, subject to approval by the Executive Director, in the event the Project incurs unexpected delays.

The ENA defines a series of milestones that, if met, the Executive Director has the discretion to enter into an option to ground lease (“Option to Ground Lease”) for the Site (the form of the Option to Ground Lease is included as an attachment to the ENA). With further Project progress and subject to Commission approval, the Option to Ground Lease can result in the execution of a ground lease with OCII (“Ground Lease”). The ENA milestones include:

- Submittal of Schematic and Design Development documents and cost estimates;
- Submittal of a subdivision map application;
- Execution of the Option to Ground Lease in preparation for financing applications; and
- Execution of a Ground Lease.

Predevelopment Loan Agreement

On March 6, 2026, Loan Committee approved the Sponsors' predevelopment loan request for $5,000,000 (Attachment 2). The loan funds will allow the Sponsors to work with the architect and other consultants to develop the Project design to construction drawings and permits, and will fund survey and engineering work, legal costs, due diligence studies, and developer fees.

The Sponsors anticipate requesting additional predevelopment funds in 2027 to complete predevelopment and bring the Project to construction start. The predevelopment loans will convert to permanent loans at the close of construction financing, subject to future Loan Committee and Commission approval.

The predevelopment loan bears 3% simple interest. The Predevelopment Loan Agreement includes the following key conditions (see Attachment 2, Section 9.2 for a full list of conditions):

1. Evaluate the implications of the Project's large size on operations and long-term financial feasibility, including a detailed review of unit sizes, bedroom mix, management and services plans, operating budget assumptions, and staffing levels; and refine these components throughout predevelopment to ensure the building can be effectively operated at scale.

2. Conduct a comparative analysis of service models from other large affordable high-rise projects.

3. In collaboration with OCII, Sponsors must engage and assess Preference Holder needs regarding AMI levels and program needs/desires, and propose income tiering and program elements/design features that aim to address Preference Holders expressed statements throughout predevelopment.

4. Prior to submitting any funding applications, Sponsors must evaluate the impact of the potential removal of permanent supportive housing ("PSH") units on competitive scoring. In the event PSH units are removed, Sponsors must provide a revised services plan and staffing budget that demonstrates operational sustainability.

Infrastructure Development Agreement

As stated above, the RFP explained that the selected development team would develop and construct the East Tehama Street extension, in addition to developing the Project on Block 4 West. This new extension of East Tehama Street will extend from Main Street to Beale Street adjacent to Block 4, and is needed to ensure pedestrian and emergency vehicle access in time for initial occupancy of the Project. Therefore, the design and construction of East Tehama Street and related infrastructure (the "Tehama Improvements") are to be completed by the Co-Developers, through an affiliate, Transbay 4 Tehama, LLC, a special-purpose entity formed by the Co-Developers for this purpose. OCII and the Co-Developers desire to enter into and execute an infrastructure development agreement (the "Tehama Infrastructure Agreement"). The Tehama Infrastructure Agreement will provide funding in an amount not to exceed $1,000,000 for predevelopment work associated with the design and engineering of the Tehama Improvements.

Equal Opportunity Program and Compliance with OCII Policies

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

The Sponsors anticipate exceeding OCII's 50% SBE participation goal in the selection of professional services consultants and subconsultants during predevelopment.

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

Community Outreach

OCII staff initially presented the RFP to the Transbay Citizens Advisory Committee ("TB CAC") and the Council of Community Housing Organizations in February 2025 prior to issuance of the RFP.

A member of the TB CAC participated in the Evaluation Panel to recommend developer team selection. OCII staff presented an update on the selection process and the recommended developer to the TB CAC on October 9, 2025. Staff presented the proposed ENA and predevelopment loan to the TB CAC on February 12, 2026. At each meeting, the TB CAC members were supportive of this project. The Sponsors will return to the TB CAC to present the recommended concept design for Block 4W (anticipated in Q3 2026) and will return again to seek approval of the Project's Schematic Design (anticipated in Q1 2027).

In addition, as noted in the loan conditions, the Sponsors will engage the Preference Holder community throughout predevelopment to determine needs and preferences and seek feedback on design and programming. The Sponsors will also reach out to neighborhood groups, neighboring homeowner associations, and other community organizations.

California Environmental Quality Act ("CEQA")

The authorizations of the ENA and of the Predevelopment Loan Agreement are statutorily exempt from CEQA under CEQA Guidelines Section 15262 since they only involve feasibility and planning studies for possible future actions that OCII has not yet approved The authorization of the Tehama Infrastructure Agreement to design and engineer the Tehama Improvements in accordance with the Transbay Redevelopment Plan, the Transbay Redevelopment Project Area Design for Development and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan is an Implementing Action within the scope of the project analyzed in the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Final Environmental Impact Report and addenda, and requires no additional environmental review pursuant to CEQA Guidelines Sections 15180, 15168, 15162 and 15163 for the following reasons:

1. The Implementing Action is within the scope of the project analyzed in the FEIS/EIR and addenda and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects previously identified in the FEIS/EIR; and,

2. No substantial changes have occurred with respect to the circumstances under which the project analyzed in the FEIS/EIR and addenda was undertaken that would require major revisions to the FEIS/EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIS/EIR; and,

3. No new information of substantial importance to the project analyzed in the FEIS/EIR and addenda has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the FEIS/EIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIS/EIR will substantially reduce one or more significant effects on the environment.

NEXT STEPS

The Sponsors and architects will work on a conceptual design through Summer 2026 and anticipate seeking Commission approval of Schematic Design in early-2027. In 2027, the architects will prepare design development and construction documents, and the Sponsors will pursue funding sources. OCII staff anticipates returning to Commission in late-2027 to seek approval for a permanent loan and long-term ground lease for the Project, and an amended and restated Infrastructure Development Agreement for the Tehama Improvements. Construction start is currently estimated in Q4 2028 and completion in Q4 2030.

(Originated by Jasmine Kuo, Development Specialist)

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Thor Kaslofsky
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Thor Kaslofsky
Executive Director

Attachment 1: OCII Commission Memorandum – Transbay Block 4 West Evaluation Panel Recommendation, October 21, 2025
Attachment 2: Loan Evaluation, March 6, 2026
Attachment 3: Exclusive Negotiations Agreement
Attachment 4: Predevelopment Loan Agreement
Attachment 5: Infrastructure Development Agreement
Attachment 6: Location Map

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118-0232025-002

Agenda Item **No.8(a)**
Meeting of October 21, 2025

INFORMATIONAL MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Recommending the team led by Mercy Housing California to develop, own, and operate mixed-use affordable rental housing units on Transbay Block 4 West, and to develop and construct adjacent off-site public improvements and transfer them to the City and County of San Francisco; Transbay Redevelopment Project Area

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Through a Request for Proposals ("RFP") process, OCII recently offered Transbay Block 4 West ("Block 4W") for affordable housing development in the Transbay Redevelopment Project Area ("Transbay" or "Project Area"), and an adjacent parcel for the development and construction of a segment of East Tehama Street between Beale Street and Main Street, to be transferred to the City and County of San Francisco ("City") for long-term ownership and operation (the "Tehama Improvements"). Block 4W is an approximately 26,400 square foot rectangular portion of the larger Transbay Block 4 ("Block 4"), bounded by Howard Street to the north, the planned Tehama Improvements to the south, Beale Street to the west, and an approximately 18,975 square foot eastern portion of Transbay Block 4 to the east ("Block 4E").

OCII released the RFP to the development community and the public in May 2025 and received two complete proposals in July 2025. Staff convened an interdisciplinary panel in August 2025, and based on the results of the panel evaluation, OCII staff recommends the selection of the applicant team comprised of (the "Developer", defined as follows):

- Mercy Housing California ("Mercy") as Lead Developer, Property Manager, Resident Services Provider, and Workforce and Contracting representative,
- Young Community Developers ("YCD") as Co-Developer and Workforce and Contracting representative,

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- Kennerly Architecture & Planning SBE / SCB (joint venture) as Architect, and
- Episcopal Community Services ("ECS") as Supportive Services Provider.

Staff anticipates returning to the Commission in early 2026 to request authorization to enter into an exclusive negotiations agreement ("ENA") and predevelopment loan agreement ("Predevelopment Loan") with the Developer consistent with the funding estimates included in ROPS 25-26 line item number 406.

BACKGROUND

The Project Area, established in 2005, calls for the redevelopment of approximately 40 acres of property (approximately 10 acres of which was formerly occupied by state-owned uses and structures encompassing a portion of the Embarcadero Freeway) into a vibrant new downtown neighborhood. The Redevelopment Plan is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority ("TJPA"), Caltrans, and for-profit and non-profit developers. The Project Area is divided into two zones: Zone 1 is implemented by OCII and Zone 2 is implemented by the City's Planning Department (Block 4W is in Zone 1). When completed, Transbay (including both Zone 1 and Zone 2) will include:

- Approximately 4,243 new residential units, a minimum of 35% of which are required by the Redevelopment Plan to be affordable;
- Roughly 2.6 million square feet of office space and 200,000 square feet of retail space;
- 9 acres of parks, including the 5.4-acre Salesforce Park (located on the roof of the Salesforce Transit Center), the approximately 1-acre Block 3 Park (to be located directly south of Block 4W), and the approximately 2.5-acre Under-Ramp Park;
- Streetscape improvements including the redesigned Folsom Street, widened sidewalks, bicycle facilities, and pedestrian-oriented alleys; and
- Significant transportation improvements, including the Salesforce Transit Center, a hub connecting regional transit systems and serving as the future terminus for Caltrain and high-speed rail.

Within Zone 1, there are a total of twelve OCII development blocks. To date, a total of 2,196 residential units have been completed across six of these blocks (Blocks 1, 6, 7, 8, 9 and 11a), 691 of which are affordable to low-income households. Another 335 units are under construction (Blocks 2 East and West, approved by the Commission in 2024). Additional housing units are planned for Block 4W (the subject of this memorandum), Block 4E, and Block 12.

Construction is also complete on Salesforce Tower (Parcel T, Zone 2), which features 1.4 million square feet of office space and 10,600 square feet of retail, and on Park Tower (Block 5, Zone 1), which includes 767,000 square feet of office space and 8,642 square feet of retail.

DISCUSSION

RFP Summary

Following an informational memorandum to the Commission on May 6, 2025, OCII released an RFP on May 8, 2025, seeking a team to develop, own, and operate affordable rental housing units, including units set aside for households experiencing homelessness, on Block 4W (the "Project"), and to develop and construct the Tehama Improvements. Notification of the RFP was provided to community groups, developers, architects, property management companies, supportive service providers, contractors, and other community stakeholders through OCII Citizens Advisory Committees ("CAC") and Small Business Enterprise ("SBE") email lists, and lists from the Department of Homelessness and Supportive Housing ("HSH"). The RFP was posted on OCII and City websites and advertised in local newspapers, including: Bay Area Reporter, El Tecolote, SF Bay View, SF Daily Journal, SF Examiner, Sing Tao Daily, Small Business Exchange, and Sun Reporter.

The RFP sought submittals from qualified teams comprised of a lead non-profit or for-profit developer ("Lead Developer"), a non-profit co-developer (the "Co-Developer", the Lead Developer and Co-Developer together are the "Developers"), property manager, supportive services provider, and an architect. Applicants were also asked to identify a responsible party for implementing a Workforce and Contracting Action Plan ("WCAP"), either a representative from one of the Developer organizations, or an outside consultant. All other consultants will be selected in accordance with OCII's SBE Policy (as further discussed below).

Block 4 West Development Program/Requirements

The RFP asked that applicant teams submit proposals to demonstrate the ability to produce a high-quality affordable housing project that maximizes affordable housing opportunities, provides high quality living environments, and specifically seeks to meet the housing needs of persons displaced by prior redevelopment action and their descendants ("Preference Holders"). The RFP described the following preliminary development program for Block 4W:

Block 4W Development Program Summary	

Target Populations	• Families
	    ○ Preference Holders
	    ○ Low-income families
	    ○ Approximately 20% of family units set aside for families experiencing homelessness (subject to the availability of funding)
	• Seniors
	    ○ Preference Holders

	○ Low-income seniors ○ Approximately 20% of senior units set aside for seniors experiencing homelessness (subject to the availability of funding)
Number and type of units	Target of approximately 300 to 325 total units • Family units (approximately 175 to 200 units): ○ 25% one-bedroom ○ 50% two-bedroom ○ 25% three-bedroom • Senior units (approximately 125 to 150 units): ○ 90% one-bedroom ○ 10% studio
Area Median Income ("AMI") and rent restrictions	Tiered income levels targeted to meet the needs of preference populations, including Preference Holders, at up to 60% MOHCD (as defined below) AMI, provided that the average AMI for all affordable units is at or below 50% MOHCD AMI.
Commercial	Ground floor space for neighborhood-serving commercial use is required on Howard Street at Beale Street.
Parking	Vehicle: for proposal purposes, assume no residential parking (note, however, that Applicants are asked to provide a strategy for resident mobility and transportation strategies that may include on- or off-site parking) Bicycle: Class I bicycle parking spaces at a target ratio of 1:1 for family units and 1:5 for senior units.
Streetscapes and sidewalks	Howard Street, Beale Street, and Tehama Street sidewalks and streetscape improvements
Tehama Improvements	Roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards.

Applicant teams were required to provide a proposal submittal package that clearly articulated their vision for the Project, approach to key aspects of development, anticipated development and operating costs and financing sources, described the roles and responsibilities of team members, and highlighted the relevant experience and capacity of each applicant team member.

Applicant Teams

OCII received two complete proposals. The proposals are as follows (in alphabetical order):

- Mercy as lead developer and YCD as co-developer

- Architect: Kennerly Architecture & Planning and SCB (joint venture)
- Property Manager: Mercy
- Services Provider: Mercy and ECS
- Workforce Representative: Mercy and YCD

- Related California ("Related") as lead developer and San Francisco Housing Development Corporation ("SFHDC") as co-developer
  - Architect: David Baker Architects ("DBA")
  - Property Manager: Related
  - Services Provider: SFHDC
  - Workforce Representative: Monte Wilson/Community + Real Estate Development ("Wilson")

Both teams were interviewed by the evaluation panel on August 27, 2025.

Evaluation Process and Criteria

The proposals were reviewed by each member of the evaluation panel in advance of the applicant interviews, which were held on August 27, 2025. The eight-person evaluation panel consisted of representatives from the Transbay CAC, Mayor's Office of Housing and Community Development ("MOHCD"), HSH, the OCII housing team, and OCII Transbay project management and planning and design review staff members. OCII contract compliance team participation also ensured compliance with the RFP's procedural guidelines and provided analysis of the WCAP sections of each proposal.

Evaluation criteria emphasized OCII's expectations regarding engagement with Preference Holders throughout the Project's development with the goal of successfully housing as many Preference Holders as possible, a thoughtful approach to SBE participation, high design quality, and the ability to secure financing to deliver the Project on schedule. Proposals were evaluated using the scoring matrix set forth in the RFP, summarized as follows:

Maximum Points	Criteria
60	**Development Concept**
20	Development Concept and Approach
10	Financing Plan
10	Community Engagement/Marketing Plan
5	WCAP
5	Supportive Services Plan
10	Design/Massing Concept
40	**Team Experience and Capacity**
10	Applicant Team Composition and Structure

10	Developer
5	Co-Developer
5	Architect
5	Supportive Services Provider
5	Property Manager
100	**Total Points**

Scoring Results

Based on scoring, the evaluation panel recommended the applicant team led by Mercy and YCD. Scoring for each of the proposals is as follows (in alphabetical order):

Applicant Team	Total Score	Average Score
Mercy/YCD	**702.5**	**87.8**
Related/SFHDC	689.5	86.2

The Mercy/YCD proposal strengths include:

- **Vision/Concept:** The team's concept for Block 4W envisions 312 units for families and seniors across two buildings, creating a vibrant, intergenerational community with shared spaces for residents of all ages. The design will prioritize resident well-being through thoughtful amenities that enhance livability and facilitate connections. Features and open spaces will include elements intended to serve residents of a wide variety of ages and interests.

- **Financing Plan:** Mercy brings broad experience and knowledge of public funding sources and how to successfully secure competitive public financing. Their proposal leverages a diverse mix of funding sources to minimize the OCII gap and maximize cost efficiency. In addition to 4% tax credits and Affordable Housing and Sustainable Communities funds, Mercy is exploring HUD 811 and 202 programs for supportive and senior housing, building on recent successful awards. Mercy's financing plan reflects adaptability to changing funding landscapes and a commitment to delivering high-quality, deeply affordable housing with minimal public subsidy, utilizing cost-containment strategies such as efficient, vertically stacked massing, shared systems and amenities across buildings, early design coordination through design-build methods which will also help to ensure high design quality.

- **Developer Experience:** Mercy possesses extensive experience in developing affordable housing projects throughout San Francisco, having successfully delivered numerous high-rise, mixed-use, and supportive housing developments, including Natalie Gubb Commons, 600 – 7th Street, and 1180 Fourth Street. Mercy also brings extensive expertise in commercial leasing, with a portfolio of over 170,000 square feet of community-serving retail space across San

Francisco. YCD is an emerging, mission-driven co-developer with a strong foundation in racial equity, workforce development, and community engagement. YCD co-developed 400 China Basin, a 148-unit homeownership project serving households at 80%-100% AMI, and has partnered with developers like TNDC and Curtis Development. Their strengths lie in Preference Holder outreach, inclusive marketing, and workforce pipeline creation.

- **Architectural Experience:** Kennerly Architecture & Planning's portfolio includes multiple OCII and MOHCD projects, including Transbay Block 2 East and 1180 Fourth Street in Mission Bay. With experience in OCII project areas and design review procedures, they are well prepared to collaborate with OCII on a design that maximizes the site's urban and architectural design potential, complements surrounding architecture, addresses the Transbay Development Controls and Design Guidelines and Design for Development guidelines, and is financially feasible.

- **Preference Holder Outreach:** Mercy and YCD demonstrated a thorough understanding of the Preference Program and its history. Mercy has a track record of success in identifying and housing Preference Holders. The Developers will engage Preference Holders throughout the development process and utilize data from past and upcoming Preference Holder surveys to identify and address needs and ensure that the built project is desirable and welcoming.

- **Workforce and Contracting Action Plan:** The proposal included a detailed WCAP that outlines strategies to meet or exceed OCII's Construction Workforce and SBE Policy contracting goals. YCD is a longstanding Bayview-Hunters Point workforce development agency serving District 10 residents and providing citywide collaborations with CityBuild and local trades. The workforce plan proposed early coordination with the general contractor to project hiring needs and prepare a pipeline of qualified workers, and utilizing YCD's existing programs to train and place workers. The contracting plan proposed breaking up work scopes to create opportunities for SBE/LBE firms and micro-SBE firms, applying lessons learned from Transbay Block 2 East, and targeting outreach to District 10 firms.

CONTRACTING AND WORKFORCE HIRES

The selected team will be required to perform good faith efforts to include SBEs in the performance of any agreement resulting from the RFP and any subsequent agreements between the development team and its contractors or consultants as required by OCII's SBE Policy, with the goal of achieving at least 50% SBE participation with first consideration to local firms. The team will also comply with OCII's Construction Workforce Policy to ensure that all contractors and subcontractors demonstrate good faith efforts to meet OCII's workforce hiring goal of 50% for San Francisco residents.

In addition to the SBE Policy's good faith efforts, the selected team will be expected to create a meaningful associate architect opportunity for a San Francisco-based SBE, even though the primary architect is an SBE. The selected general contractor will be strongly encouraged to create a joint venture or similar partnership relationship with a San Francisco-based SBE contractor(s) looking to gain experience in that role. The general contractor is also strongly encouraged to create subcontracting opportunities across trades for SBEs.

COMMUNITY OUTREACH

Staff informed the Transbay community and the affordable housing developer community of its intent to issue an RFP through engagement with the Transbay Citizens Advisory Committee ("Transbay CAC"), the TJPA CAC, the East Cut Community Benefits District Board of Directors ("CBD Board"), and the Council of Community Housing Organizations ("CCHO"). In addition, staff presented the overall development approach for Block 4 and the RFP for Block 4W at regular meetings of the aforementioned groups in February and March of 2025. The recommended development team also presented its proposal for Block 4W to the Transbay CAC at its October 9, 2025 meeting.

Staff and the development team will continue outreach to the community through the Transbay CAC throughout the development process.

NEXT STEPS

In early 2026, staff will request the Commission's authorization for a Predevelopment Loan and ENA.

(Originated by Jasmine Kuo, Development Specialist)

DocuSigned by:
Thor Kaslofsky
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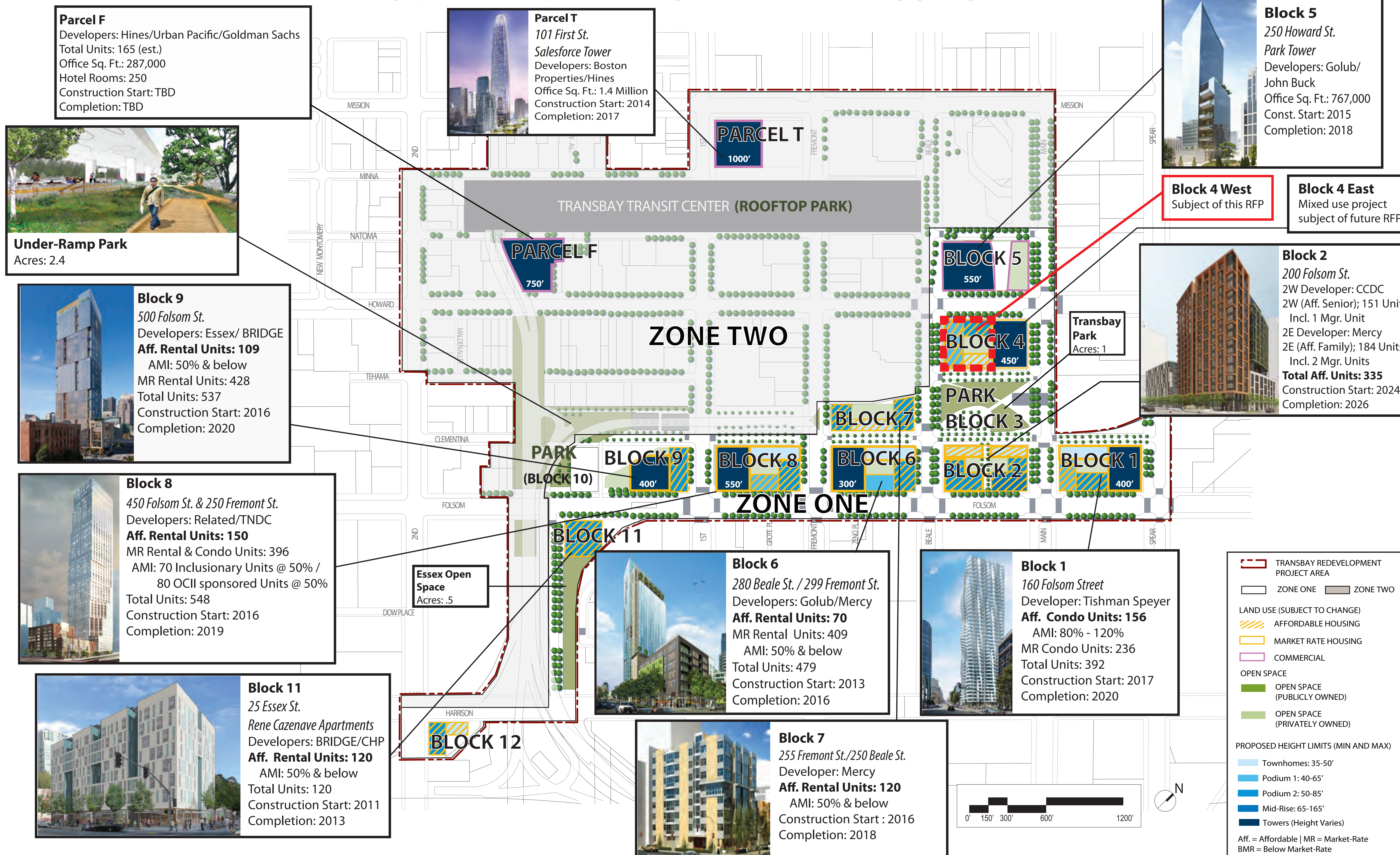
Thor Kaslofsky
Executive Director

Attachment A: Transbay Project Area Map
Attachment B: Request for Proposals, Transbay Block 4 West

Attachment A

TRANSBAY REDEVELOPMENT PROJECT AREA



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OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

Housing Development

Request for Proposals

To develop, own, and operate mixed-use affordable rental housing units, including units set-aside for households experiencing homelessness, and to construct adjacent off-site public improvements at:

Transbay Block 4 West

(located between Beale Street, Howard Street, Tehama Street as extended, and Block 4 East)

Transbay Redevelopment Project Area

Deadline for Submission
4:00 p.m. – July 31, 2025

Issued by:
Office of Community Investment and Infrastructure
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Contact: Jasmine Kuo
Email: jasmine.kuo@sfgov.org
Phone: (628) 652-8523

office of
COMMUNITY INVESTMENT
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SECTION I. SUMMARY

The Office of Community Investment and Infrastructure ("OCII"), acting as the Successor Agency to the San Francisco Redevelopment Agency ("SFRA"), is seeking submittals from qualified applicants: 1) to design, develop, own, and operate affordable rental housing that serves low-income families and families experiencing homelessness (the "Family Project"), and that separately serves low-income seniors and seniors experiencing homelessness (the "Senior Project") on Transbay Block 4 West ("Block 4W", the Family Project and Senior Project together are the "Project") in the Transbay Redevelopment Project Area ("Project Area"); and 2) to design, develop and construct an extension of Tehama Street from Beale Street to Main Street (the "Tehama Improvements"), for subsequent acceptance by the City and County of San Francisco the "City") . OCII may authorize development of the Tehama Improvements under contracts and funding separate from the Project.

Development of the Project furthers OCII's compliance with state-approved affordable housing obligations requiring that 35% of all new housing developed in the Project Area shall be affordable. Public Resources Code, § 5027.1; Transbay Redevelopment Project Implementation Agreement (2005) (the "State Affordability Requirement"). OCII thus seeks to maximize the number of affordable housing units at Block 4W consistent with good urban design and applicable land use controls.

An applicant ("Applicant") is defined as a team comprised of *only* the following: a lead non-profit or for-profit housing developer ("Developer") and a non-profit housing co-developer ("Co-Developer") (together, "Developers"), a property manager, an architect, a Workforce and Contracting Action Plan ("WCAP") consultant (if an outside consultant is being proposed), and a supportive services provider. All other consultants will be selected after an Applicant is selected, in accordance with OCII's Small Business Enterprise ("SBE") Program. A Developer/Co-Developer joint venture is required (Applicants may choose to include more than one Co-Developer).

The subject properties of this Request for Proposals ("RFP") are, for the development of the Project, an approximately 26,400-square-foot (0.6-acre) rectangular site ("Block 4W" or the "Site") bounded by Howard Street to the north, the planned Tehama Street segment to the south, Beale Street to the west, and an approximately 18,975-square-foot eastern portion of Transbay Block 4 to the east ("Block 4E") (See Attachment 22). The future Tehama Street will be located on the adjacent approximately 11,000-square-foot rectangular site reserved for the Tehama Improvements (the "Tehama Site"). Details on the population to be served by the Project and design specifics can be found in Section IV Development Program in this RFP.

A summary of some of the programming required for the Project and the Tehama Site is provided in the table below. As further discussed herein, creating housing opportunities for persons displaced by SFRA actions and their descendants ("Preference Holders") is OCII's highest priority in determining the development program. The selected Applicant will be expected to meaningfully engage with Preference Holders and optimize program elements, to the extent feasible, to facilitate Preference Holder occupancy. Additional information regarding project elements and design standards can be found in Section III Development Program of this RFP.

Block 4W Program Requirement/Tehama Improvements Summary	
Number of units*	A maximum number of high-quality residential rental units (with a total development target of approximately 300 to 325 units)
Unit types*	In separate facilities that share structural components, building systems, common areas and other physical elements to the greatest extent possible under law and funding requirements: • Family Project units (target of approx. 175 to 200 units): 1-, 2-, and 3-bedroom units • Senior Project units (target of approx. 125 to 150 units): studio and 1-bedroom units
Populations	• For all units: Preference Holders, especially those displaced by SFRA • Family Project: low-income families; approximately 20% of family units designated for households experiencing homelessness (subject to the availability of funding)

	• Senior Project: low-income seniors age 62+; approximately 20% of senior units designated for senior households experiencing homelessness (subject to the availability of funding)
Area median income (AMI) and rent restrictions	Tiered income levels targeted to meet the needs of Preference Holders, at up to 60% MOHCD AMI, provided that the average AMI of all affordable units is at or below 50% AMI
Commercial	Ground floor public benefit/community-serving retail at the corner of Howard Street and Beale Street
Parking and Loading	• For proposal purposes, assume no resident parking, however, Applicants are asked to provide a plan for resident mobility and transportation strategies that may include on- or off-site parking • At-grade off-street loading off Beale Street and/or Tehama Street to serve residential and commercial uses • Class I bicycle parking spaces at a 1:1 ratio for family units and 1:5 for senior units
Streetscape improvements	Howard Street, Beale Street, and Tehama Street sidewalks and related streetscape improvements
Tehama Improvements	Roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards.

** As further discussed in Section IV.A, OCII acknowledges that the Site is constrained and achieving the target unit count may present challenges. Applicants are asked to include an analysis of a single project alternative in their RFP submittal package (see Section VI.A.2).*

Block 4W and the Tehama Site are part of the Project Area that was administered by the former SFRA. Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012, California Health and Safety Code §§34161 et seq (the “Redevelopment Dissolution Law”). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA’s enforceable obligations. On April 15, 2013, the California Department of Finance determined “finally and conclusively” that the Transbay Implementation Agreement, Affordable Housing Program, and Tax Increment Sales Proceeds Pledge Agreement are enforceable obligations under Redevelopment Dissolution Law.

The Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”) and related documents including the Transbay Redevelopment Project Area Design for Development (“Design for Development”), Development Controls and Design Guidelines for the Transbay Redevelopment Project (“DCDG”), and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan (“Streetscape and Open Space Concept Plan”) collectively govern the Project Area’s development. OCII will select the Applicant and issue project approvals for Block 4W and the Tehama Improvements. Upon completion of the Project, OCII’s housing assets related to the Site will be transferred to the Mayor’s Office of Housing and Community Development (“MOHCD”), which is the designated Housing Successor under Redevelopment Dissolution Law. MOHCD will therefore participate in the selection of the development team and will also review and comment on the Project’s financial underwriting, funding, and disposition documents in order to ensure a smooth transition to MOHCD at project completion. The Tehama Improvements will have to satisfy applicable City standards so that the City will be able to accept the Tehama Site and Tehama Improvements upon completion for long-term ownership and maintenance.

The OCII Executive Director will recommend an Applicant for consideration by the Commission on Community Investment and Infrastructure (“Commission”) after receiving the evaluation results of an interdisciplinary panel comprised of representatives from OCII, MOHCD, the Department of Homelessness and Supportive Housing (“HSH”), and the Transbay Citizen’s Advisory Committee (“CAC”). The panel will evaluate the Applicant’s proposed development concept as well as its demonstrated successful experience on comparable projects. The Transbay CAC will review the panel’s evaluation and will also make a recommendation prior to the Commission’s consideration of an Applicant.

The Executive Director is not required to recommend the Applicant receiving the panel's highest ranking or evaluation, but may consider other factors, including the fulfillment of OCII policy objectives, in making a written recommendation to the Commission. The Commission has the sole discretion to make the final selection. **OCII may, in its sole discretion, disqualify any Developer and/or Architect or other partner if they have any uncured defaults on any OCII, SFRA, or City agreement within the past five (5) years.**

Applicants are advised that OCII is committed to promoting opportunities for SBEs and the local workforce in the contracting process and the payment of prevailing wages. Upon selection of an Applicant, OCII will seek to enter into an exclusive negotiation agreement with the selected Developers that will lead to a long-term ground lease for the Site.

SECTION II. IMPORTANT DATES & SUBMISSION PROCESS

A. Important Dates

Submittals are due by 4:00 p.m. on July 31, 2025.

1. Issue Date: RFP available on the OCII website, registration opens	May 8, 2025
2. Pre-Submission Meeting (Video call: register through Eventbrite to receive meeting link)	9:30 a.m. May 21, 2025
3. Deadline for written questions / requests for additional information	May 28, 2025
4. PROPOSAL SUBMISSION DEADLINE	4:00 p.m. July 31, 2025
5. Notification to Developer Teams who failed to meet minimum submission requirements	August 14, 2025
6. Developer Team interviews	Week of August 25, 2025*
7. Submittals evaluated and ranked by Evaluation Panel	
8. Presentation of Evaluation Panel's selection to Transbay CAC	October 9, 2025*
9. Presentation of Panel's selection to Commission (informational memorandum)	October 21, 2025*
10. Commission approves Exclusive Negotiations Agreement and Predevelopment Loan	February 17, 2026*

* Dates and times are subject to change.

B. Pre-Submission Meeting

A pre-submission meeting will be held as a video call on the date and time shown above, in Section II.A. The purpose of the meeting is to ensure that all potential Applicants understand the programmatic design and financing information that is required. Although attendance is not mandatory, it is highly recommended. Please register through Eventbrite by 3:00 PM on May 20, 2025. Prior to the meeting, all prospective applicants registered for the meeting event through Eventbrite will receive a link to the video call. Please note that registering for the pre-submission meeting does not constitute registration as an Applicant under this RFP as described in Section D below.

C. Questions and Requests for Additional Information

Please submit all questions and information requests to the attention of the contact person listed on the cover page of this RFP. All questions and requests for additional information regarding this RFP must be received **in writing** by OCII (via e-mail) – *on or before* – the time and date as shown above, in Section II.A. Questions received after the deadline may not be answered. All responses and additional information will be distributed to all registered Applicants. OCII reserves the right, in its sole discretion, to determine the timing and content of the response, if any, to all questions and requests for additional information. In addition, OCII may respond via mail or e-mail.

D. Registration for RFP Packet Required

Responses to this RFP will be accepted only from those Applicants who have registered with OCII. Only registered Applicants will receive answers to submitted questions and additional information as described above. To register, e-mail jasmine.kuo@sfgov.org with the following information:

1. Organization (registered party may be a Developer, Co-Developer, Architect, Property Manager, or Services Provider. Note, however, that only one registration is needed per Applicant team)
2. Name contact person
3. E-mail address for contact person
4. Phone number for contact person

E. Submission Time, Place, Date, Contact

Electronic submittals must be uploaded by the date and time shown below. Registered Applicants will receive submittal instructions, including a OneDrive link to upload submittal materials. In addition, by the date and time shown below, Applicants must submit three (3) hard copies of the submittal. Hard copies must be received at the address shown below. The MOHCD receptionist will collect and timestamp all submittals on behalf of OCII.

Electronic Submittal Deadline: July 31, 2025 at 4:00 p.m. Via OneDrive link provided to registered Applicants **Hard Copy Submittal Deadline: August 1, 2025 at 4:00 p.m.**

Office of Community Investment and Infrastructure One South Van Ness Avenue, Fifth Floor San Francisco, California 94103 Attn: Jasmine Kuo

SECTION III. BACKGROUND

A. Project Area Overview

The Site for the Project is located in the Transbay Redevelopment Project Area. OCII's Transbay web page (http://sfocii.org/transbay) provides links to the following documents that must be reviewed and considered as Applicants prepare submissions:

- Redevelopment Plan
- Transbay Redevelopment Project Implementation Agreement
- Boundary and Zoning Map
- Development Controls and Design Guidelines
- Design for Development
- Transbay Streetscape & Open Space Concept Plan
- Transbay Final Environmental Impact Statement/Report and Addenda

1. Overview of the Transbay Project Area

The Project Area, established in 2005, calls for the redevelopment of approximately 40 acres of property (approximately 10 acres of which was formerly occupied by a portion of the Embarcadero Freeway) into a vibrant new downtown neighborhood. OCII oversees compliance with the Redevelopment Plan, which is incorporated into the Transbay Redevelopment Project Implementation Agreement that the Department of Finance has finally and conclusively approved as an enforceable obligation under the Redevelopment Dissolution Law. OCII implements this obligation through partnerships with the City, Transbay Joint Powers Authority ("TJPA"), Caltrans, and for-profit and non-profit developers. The Project Area is divided into two zones: OCII has jurisdiction over Zone One and the San Francisco Planning Department has jurisdiction over Zone Two. Zone 1 is the area in which formerly state-owned parcels were located and transferred to OCII. Under redevelopment authority, OCII was able to sell most of the parcels for private development and generate over $700 million in proceeds for construction of the Salesforce Transit Center. In addition, the formerly state-owned parcels in Zone 1 provide OCII with the land to comply with the State Affordability Requirement and to develop public amenities, such as parks, that enhance the Project Area.

When completed, the Project Area (including both Zone One and Zone Two) will include:

- Approximately 4,243 new residential units, a minimum of 35% of which will be affordable;
- 2.6 million square feet of office space and 200,000 square feet of retail space;
- 9.2 acres of parks, including the 5.4-acre Salesforce Park (located on the roof of the Salesforce Transit Center), the approximately 1-acre Block 3 Park (to be located directly south of Block 4W), and 2.5-acre Under-Ramp Park, among other smaller open spaces throughout the Project Area;
- Significant transportation improvements, including the Salesforce Transit Center, a regional hub connecting 11 transit systems and serving as the future terminus for Caltrain and high-speed rail; and
- Streetscape improvements including widened sidewalks, bicycle facilities on Beale, Howard and Main Streets, and pedestrian-oriented alleys.

Within Zone One, a total of 2,196 residential units have been completed (unit construction is complete on Blocks 1, 6, 7, 8, 9 and 11a), 691 of which are affordable to low-income households. Another 335 units are under construction (Blocks 2 East and West). Additional housing units are planned for Block 4W (the subject of this RFP), Block 4E, and Block 12.

Construction is also complete on Salesforce Tower (Parcel T), which features 1.4 million square feet of office space and 10,600 square feet of retail, and on Park Tower (Block 5), which includes 767,000 square feet of office space and 8,642 square feet of retail.

2. Preference Holder Program

As noted in Section I, creating housing opportunities for Preference Holders is OCII's highest priority in the development of Block 4W. In the 1960s and 1970s, SFRA undertook activities as part of the federal urban renewal program that displaced a significant number of residents and businesses of color. The Preference Holder program, established under state law in 1969, provides priority to low- and moderate-income displaced persons in the leasing and sale of affordable housing assisted by the SFRA or OCII. Based on state law effective in 2022, the priority has been expanded to include direct descendants of displaced persons.

The Preference Holder Program applies to all OCII-assisted, affordable units and, with this Project OCII seeks to create attractive, high-quality housing in Transbay that meets Preference Holder needs.

3. Development Controls

The Redevelopment Plan, adopted by the Board of Supervisors in June 2005, and which has been subsequently amended, establishes general land use controls, including types and intensities of development and public open space in the Project Area. The companion DCDG establishes detailed height, bulk, parking, street frontage and other design standards and guidelines to guide development within Zone One. The Streetscape and Open Space Concept Plan, approved in November of 2006 provides guidance for improvements to the public realm.

OCII anticipates new amendments to the DCDG and possibly the Redevelopment Plan to accommodate a maximum number of affordable units on the Site, pursuant to this RFP. The selected Applicant should be prepared to work closely with OCII to study and formalize any such amendments in the Schematic Design approval applications to the Commission. Only amendments to the Redevelopment Plan would require legislation approved by the City and County of San Francisco.

4. Neighborhood and Transit Amenities

The Transbay neighborhood is rich in amenities. There are numerous retail outlets within walking distance of Block 4W or reachable by a short bicycle or Muni ride. Woodlands Market, a pharmacy, post office, the Embarcadero YMCA, and several restaurants are located within half a mile of the Site. Target, Safeway, Trader Joe's, Whole Foods, and the Ferry Building farmer's market are located within one mile of the Site.

The Site is within a mile and a half of the Bessie Carmichael Elementary and Middle School campuses, Gordon J. Lau Elementary School, the Chinese Education Center, and John Yehall Chin Elementary School.

As previously noted, the Project Area will include over nine acres of new parks. The completed Salesforce Park is located half a block from the Site. The planned Block 3 Park will be directly south of the Site and Under Ramp Park will be located approximately two blocks west of the Site. The Guy Place Mini Park is located three blocks away, and the existing Rincon Park and adjacent San Francisco Bay Trail are two blocks from the Site.

Block 4W is well served by local and regional transit. The Site is located two blocks from the Salesforce Transit Center which provides regional transit as well as local bus connections to neighborhoods throughout San Francisco. Block 4W is also less than half a mile from the Embarcadero BART station and multiple Muni rail lines along Market Street and the Embarcadero.

The Project Area features significant bicycle infrastructure, with some bicycle lanes already completed (including dedicated east/west bicycle lanes on Folsom Street and temporary dedicated lanes on Howard Street), and additional planned improvements, specifically:

- Beale Street: A two-way cycle track is planned for the eastern portion of Beale Street as part of the Active Beale Street project running from Market Street to Folsom Street. Improvements will be completed in two phases: phase 1 between Market Street and Howard Street and phase 2 between Howard Street and Folsom Street. San Francisco Public Works ("SFPW") issued a bid package for construction of phase 1, with construction commencing in mid-2025. Phase 2 has been paused due to the construction activity on Transbay Block 2, and planned construction on Block 3 and the Site. SFPW expects that Phase 2 will commence following completion of the adjacent vertical projects along Beale Street. Please see the SFMTA project page for additional information and drawings: https://www.sfmta.com/projects/active-beale-street.
- Howard Street: A two-way cycle track is planned for the southern portion of Howard Street as part of the Transbay Howard Street Improvement Project. Plans were approved by the SFMTA Board of Directors in April 2024 and the start of construction is anticipated in late 2025. Please see the SFMTA project page for additional detail and drawings: https://www.sfmta.com/projects/transbay-howard-streetscape-improvement-project. As shown in the drawings, passenger loading is limited to the eastern portion of Block 4. Applicants should take note of this and consider it in determining potential locations for lobbies, trash rooms, etc. Plans for Howard Street improvements adjacent to Block 4 resulted from consideration of numerous needs, including the requisite turn radius for buses traveling west on Howard and turning left onto Beale Street. As such, Applicants will likely need to work within the constraints of the current design.
- Main Street: A one-way northbound protected bike lane is planned on the eastern side of Main Street, along with Muni transit boarding islands, as part of the Main Street Streetscape Project from Market Street to Folsom Street. Please see the SFMTA project page for additional detail and drawings: https://www.sfmta.com/projects/main-street-streetscape-project.

While the above-noted projects will greatly improve bicycle access and safety, they do create significant constraints for loading and other access to the Site. Applicants should consider this in their conceptual massing and note that the selected Applicant will be expected to coordinate with the San Francisco Municipal Transportation Agency ("SFMTA") and SFPW regarding design and construction logistics.

5. Citizens Advisory Committee

The Transbay CAC is an advisory body comprised of residents, business owners, and representatives of community organizations in the Project Area that advises OCII on matters that affect design in Zone One. A member of the CAC will review proposals in response to this RFP and will participate in the evaluation panel. The recommended Applicant will present their proposal to the CAC prior to Commission action. The CAC will again review the selected design concept when the Project proceeds to seek Schematic Design approval.

6. California Environmental Quality Act/ National Environmental Protection Act

On April 20, 2004, the SFRA Commission certified the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project Final Environmental Impact Statement / Environmental Impact Report ("FEIS/FEIR"), which evaluated the Redevelopment Plan. On January 25, 2005, the SFRA Commission adopted environmental findings under the California Environmental Quality Act ("CEQA"), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. The Board of Supervisors, Planning Commission, and TJPA adopted similar findings.

There are ten addenda to the FEIS/FEIR. Addendum 1 (2006) evaluated modifications to the Transbay Transit Center design and revisions to the temporary terminal site plan. Addendum 2 (2007) evaluated modifications of the rail tracks and underground tunnels leading to the Transbay Terminal. Addendum 3 (2008) evaluated adding 546 Howard Street to the list of properties identified for full acquisition. Addendum 4 (2008) evaluated the configuration and design elements of the temporary terminal. Addendum 5 (2009) evaluated the exterior façade and pedestrian bridge elements of the Transbay Transit Center. Addendum 6 (2011) evaluated bus exit and ramp design refinements for connections from Interstate 80 to the Transbay Transit Center. Addendum 7 (2013) evaluated refinements to the relocation of Golden Gate Transit's mid-day bus parking facility. Addendum 8 (2016) assessed an increase in the maximum height limit on Block 1 from 300 to 400 feet. Addendum 9 (2022) assessed an increase in the maximum height limit on Block 4 from 450 feet to 513 feet and an increase in the maximum floor plate sizes on Block 4. Certain actions described in Addendum 9 were conditionally approved by the Commission but none were adopted by the Board of Supervisors so the actions conditionally approved by the Commission are not in effect. Addendum 10 (2022) evaluated modifications to height and bulk restrictions and setback requirements applicable to Block 2.

The selected Applicant will be responsible for securing any additional environmental review approval under CEQA and the National Environmental Protection Act ("NEPA"), if necessary.

The selected team will work with the Department of Public Health, the San Francisco Bay Regional Water Quality Control Board, the Bay Area Air Quality Management District, other entities, and OCII staff to ensure that the environmental mitigation measures applicable to Block 4W are appropriately documented and implemented.

7. Additional Environmental Reports for the Transbay Area

OCII has four earlier environmental reports for the Transbay area (available upon request):

- Tar Flat 19th Century Solutions, 20th Century Hazards, Caltrans SF-480 Terminal Separation Rebuild, Study of Historic Potential Hazardous Material Sites, 1993
- Site Investigation Report, San Francisco-Oakland Bay Bridge West Approach Project Including Transbay Terminal Loop, 1999
- Preliminary Report on the Potential Locations of Buried Archaeological Resources and Non-archaeological Obstructions at the Project Site for the OCII Transbay Park and Alleys Project in the City of San Francisco, California, 2020
- Phase I Environmental Site Assessment Report, Transbay Block 2, 2023

Footings associated with the 20th century Transbay Terminal transit viaduct and the elevated Embarcadero Freeway are present within the Site and the Tehama Site and will likely need to be moved, subject to requisite approvals and permits. The selected Applicant should expect to engage an archaeologist to study the Site during predevelopment and prepare an addendum to the Transbay Archaeological Research Design and Treatment Plan describing the specific history of the Site and establishing an appropriate archaeological testing program.

8. <u>Soil Conditions</u>

According to Figure 4.8-1 of the FEIS/FEIR, the Site is located on the bay side of the historic circa 1848 shoreline. Soils on the Site may generally be characterized by the presence of soft and compressible Bay Mud under the surficial fill placed when the area was reclaimed in the late 1800s or early 1900s. The depth of these sediments varies substantially, as do fill materials, which may include clay, dune sand, rubble, building demolition debris, buried ships, and other materials.

Developers should incorporate the cost of appropriate structural systems in their proposed Sources and Uses Budgets. The selected Applicant will need to conduct its own geotechnical investigations specific to the Site.

B. The Site, Tehama Site & Transfer of Ownership

The Site is a portion of Assessor's Block 3739, Lot 010. The Site is a gently sloped, rectangular, approximately 26,400-square-foot lot with frontages as follows: 160 feet along Howard Street and the planned extension of Tehama Street, and 165 feet along Beale Street and the planned property line for the adjacent eastern portion of Block 4 (see Site survey included herein as Attachment 25). The Tehama Site (Assessor's Block 3739, Lot 011) is a flat, rectangular, approximately 11,000-square-foot lot with frontages as follows: 275.01 feet along the northern boundary of Block 3739, Lot 012 ("Block 3") and the southern boundary of the Site, and 40 feet along Beale Street and Main Street.

Until 2019, the Site, the Tehama Site, and Block 3 were used as the temporary Transbay Terminal and Greyhound station. These uses have been relocated to the Salesforce Transit Center. In 2021, OCII took ownership of the former temporary Transbay Terminal site. Since 2021, East Cut Landing Partners ("ECLP") has managed, maintained, and operated a publicly accessible interim activation program at the Site (the Crossing at East Cut, or the "Crossing"), the Tehama Site, and Block 3 pursuant to a Permit to Enter and Agreement to Activate and Manage between OCII and ECLP (the "ECLP PTE"). During the predevelopment phase of the Project, the selected Developer(s) may access the Site and the Tehama Site, with OCII's permission, to perform predevelopment activities including, without limitation, geotechnical or soil borings with reasonable notice to ECLP. At the close of construction financing for the Project, the ECLP PTE will terminate as to the Site and the Tehama Site. OCII will convey the Site to the selected Developer(s) in an "as is" condition through a long-term ground or air rights lease (or leases). Ownership of the Tehama Site will remain under OCII. Prior to the start of construction of the Tehama Improvements, OCII and the selected Developer(s) will enter into a permit to enter, short term ground lease, or other similar document for the Tehama Site. The interim activation program at Block 3 is expected to continue pursuant to the ECLP PTE, until construction of the planned Block 3 Park begins.

Once the Project is constructed and occupied, OCII will transfer the lease(s) and the underlying land, against which the lease(s) will be recorded, to MOHCD as the Housing Successor pursuant to Redevelopment Dissolution Law. Assuming the Applicant will require site control in order to access certain funding sources, OCII will enter into an appropriate agreement with the Applicant in order to meet the site control requirements of the approved potential funding source(s). Once the Tehama Improvements have been constructed, the City process for acceptance of the Tehama Site and Tehama Improvements will be initiated for City ownership and ongoing maintenance.

An address for the Site has not yet been determined.

SECTION IV. DEVELOPMENT PROGRAM

A. Housing Development Concept

OCII's goal for the Site is to maximize affordable housing units with amenities thoughtfully designed to serve a variety of household types. Meeting the housing needs of Preference Holders and maximizing Preference Holder occupancy is a top priority in the development of this Site. The Project will be presented in a high quality, livable design based on Design for Development and DCDG standards, and will serve low-income families and seniors, as well as families and seniors experiencing homelessness (units serving households experiencing homelessness are referred to herein as "permanent supportive housing" or "PSH"). The inclusion of PSH units is subject to the availability of LOSP or a comparable rental or operating subsidy.

Applicants should carefully consider and describe the proposed configuration of the Family Project and Senior Project and recommend a configuration that best utilizes the Site, adheres to the urban design intent of the DCDG, and optimizes building functionality and operations. Applicants should identify opportunities to reduce redundancy by sharing structural components, building systems, common areas and/or other physical elements to the greatest extent possible under regulatory and funding requirements. The ground floor should include a public benefit/community-serving commercial space at the corner of Howard Street and Beale Street, residential entries and lobbies, and townhome-style units or stacked flats (with individual unit entries and stoops) along Tehama Street.

The future commercial use should serve the needs of building residents as well as the surrounding community consistent with MOHCD Commercial Space Underwriting Guidelines. Applicants must target commercial tenant outreach to locally owned small businesses, in collaboration with the San Francisco Office of Economic and Workforce Development ("OEWD") and/or non-profit organizations that provide resources and assistance to local start-ups and entrepreneurs. Applicants should also consult the East Cut Community Benefit District ("ECCBD"), which tracks the mix of commercial uses in the East Cut neighborhood, as to the neighborhood's commercial deficiencies. The selected Applicant will be expected to initiate this outreach early in predevelopment and utilize relevant feedback to inform the design.

Development shall comply with this RFP, the requirements of the Redevelopment Plan and related documents, and all other applicable federal, state and local regulations, but may propose amendments to one or more of these requirements to achieve OCII's goals of maximizing affordable housing and achieving good urban design. Working within these parameters, the Applicant may use some discretion regarding unit count, unit sizes, and building layouts provided that the Project is suitable for senior and family housing and the other uses described herein.

The below table summarizes the OCII programming guidelines for the Site and Tehama Site:

Program Element	Requirements

Target Populations	• Families
	  ○ Low-income families at a range of income levels
	  ○ Approximately 20% of family units set aside for families experiencing homelessness
	• Seniors
	  ○ Low-income seniors at a range of income levels
	  ○ Approximately 20% of senior units set aside for senior individuals/ households experiencing homelessness
	• For both family and senior units, Applicants may propose tiered income levels up to 60% MOHCD AMI, however, the average AMI must be at or below 50% MOHCD AMI.
	• Income tiers for all units should be targeted to meet the needs of Preference Holders, and should thus include very low and extremely low AMI units that are not restricted as PSH.

Units	• Approximately 300 to 325 total units
	• Family units (approximately 175 to 200):
	  ○ 25% 1-bedroom/1-bathroom, minimum of 550 net square feet
	  ○ 50% 2-bedroom/1 or 1.5 bathroom, minimum of 850 net square feet
	  ○ 25% 3-bedrooom/1.5 or 2 bathroom, minimum of 1,100 net square feet
	• Senior units (approximately 125 to 150):

	○ 90% 1-bedroom/1-bathroom units, minimum of 550 net square feet ○ 10% studio/1-bathroom units, minimum of 425 net square feet
PSH Units	• Tenants will be referred to the Site by HSH, prioritized by need/vulnerability and length of homelessness, based on the parameters of the City's Coordinated Entry process • Unit sizes should match overall unit size mix as described above • Assume that units will be supported by the Local Operating Subsidy Program ("LOSP") and a services contract with HSH • OCII may, at its discretion, require that the Applicant increase, decrease or eliminate the percentage of units set aside for formerly homeless households. The final number/percentage will be determined based on appropriate staffing ratios, overall financial feasibility for both the Senior Project and Family Project, and availability of operating subsidies and services funding.
Senior-Serving Units	• The Senior Project "must be designed to meet the physical and social needs of seniors." California Civil Code § 51.2 (d); Government Code § 12955.9 (b) (2) • Senior Project units and facilities should incorporate design features to accommodate ease of use and aging in place
Interior Services and Management Space	• Desk staff at main residential entrances • Dedicated, private offices for property management and support services staff with adequate room for storage of client records and seating for one-on-one sessions • Storage space for supplies, replacement furnishings, and program materials
Common Spaces/Amenities	• At least one common area/community room/multi-purpose room each for the Family and Senior Projects, with adjacent or incorporated kitchen • Varied spaces that allow for both active programming and passive use • Include spaces tailored to meet resident needs at various life stages (for example, remote work rooms, homework rooms, children's playrooms, teen spaces, lounges, or fitness rooms). • At least one laundry room each for the Family Project and the Senior Project with the correct ratio of machines to number of units • Outdoor open spaces designed to serve the tenant populations, in accordance with the standards described in Section IV.C below
Commercial Space	• Ground floor commercial is required on Howard Street at Beale Street in compliance with the DCDG. • Commercial use should be neighborhood-serving and tenant outreach should be targeted to locally owned enterprises and start-ups. • The spaces should provide the appropriate infrastructure to facilitate food-related uses, such as a small grocer or shop offering prepared foods. • Built to warm shell condition (per MOCHD Commercial Underwriting Guidelines for community/public benefit uses).
Streetscapes, Sidewalks	• Design and construct adjacent sidewalks and streetscape elements along Howard Street, Beale Street, and Tehama Street. In accordance with the Streetscape and Open Space Concept Plan, such elements include, but are not limited to, pedestrian lighting, street trees, bike racks, and street furniture.
Parking (Vehicle and Bicycle)	• For proposal purposes, the massing concept and residential project cost estimates modeled in the pro forma should assume that no resident parking is provided. However, Applicants are asked to provide a strategy for resident transportation and mobility and include preliminary cost estimates associated with any proposed strategies, including on-site parking.

	• Early in predevelopment, the selected Applicant will be asked to study the costs and benefits of a full or partial underground level to provide residential parking. The selected Applicant will collaborate with OCII to assess physical feasibility and identify creative financing strategies. • Class I bicycle parking spaces at a 1:1 ratio for family units (consider a design that also accommodates stroller parking) and approximately 1:5 for senior units (Applicants may choose to adjust this suggested ratio for senior units if accompanied by an explanation based on operational experience).

Applicants should determine and describe the optimal construction type for the Site to meet the programming, design, and cost containment requirements of this RFP. To the extent possible, variations in floor plates should be minimized and unit sizes and layouts should be consistent and stacked. The narrative should describe efficiencies contemplated in the proposed design.

The selected Applicant must possess the qualifications and experience to implement a financially sound development plan to construct and operate the housing and achieve a high-quality design with amenities that enhance unit livability.

Please refer to Section IV.F and G below for zoning and land use restrictions. OCII reserves the right to select an Applicant and require significant redesign. OCII further reserves the right to change the scope of the development program and/or require changes to the building design and unit configuration as it deems appropriate. As described in Section IV.C below, in furtherance of City objectives to increase affordable housing and to address the Transbay Housing Obligation, OCII anticipates rezoning Block 4W to modify heights and/or bulk standards on one or more portions of the Site, subject to further studies and requisite approvals, following Applicant selection.

Alternative Development Scenario: Single Building

While the base program for purposes of this RFP submittal includes both a Family Project and Senior Project as described above and throughout this RFP, OCII recognizes that this scheme is subject to a number of constraints including the overall Site size/dimensions, the need for duplicate vertical circulation and utilities, building code requirements such as a drift space allowance between buildings and fire rated windows on building faces in close proximity, limited space/locations for loading, competitive financing considerations, and adjacency to a planned residential tower on Block 4E.

Applicants are thus asked to assess the merits and drawbacks of a single building approach, utilizing only a portion of the Site. The selected Applicant will be expected to work closely with OCII staff to determine a development approach for the Site that balances numerous goals.

As described in Section VI.A.2, the alternative development scenario analysis should include:

- Approximate unit count for a single building;
- Approximate square footage of site to accommodate the potential unit count;
- Pros and cons to a single building approach including (but not limited to): financial feasibility, effect on per-unit cost, property management and operations, constructability, livability and quality of resident experience,

Applicants should assume that a single affordable building would serve families (including family PSH units) and be located on the westernmost side of the site along Beale Street between Howard and Tehama. The dimensions of the site are to be determined but would be informed by existing parcel dimensions set forth in the DCDG. Assume that the Block 4 Open Space Parcel would not be included in your submittal in the single building scenario.

1. <u>Target Populations</u>

As previously noted, Block 4W will provide affordable housing serving low-income households in separate facilities for a Family Project and a Senior Project. In both the Family Project and Senior Project, assume that 20% of units will be PSH (exact number of units/percentages subject to review by OCII and HSH). Housing Preference Holders is of the highest priority in both the Family and Senior Projects. Additional information regarding preferences for resident selection (for all but the homeless units) is described in Section IV.E below.

Low-Income Families

According to San Francisco's 2022 Housing Element, the City is home to a diverse range of family and household structures including multigenerational families, LGTBQ+ families, single parents, roommate living, artist co-ops, single-person households, couples, or families with multiple children among many others. The Housing Element notes that households with children are having an increasingly hard time staying in San Francisco and they are experiencing high rates of overcrowding as well. Other household types are also experiencing overcrowding: many have been doubling or tripling up to live in the City as roommates or related adults because they cannot find housing that is within their financial reach and meets their needs.

Units in the Family Project should be designed to accommodate persons of all ages in a wide variety of household configurations. Units and amenities should incorporate best practices in urban multi-family housing and designs should incorporate feedback from experienced project managers and operations staff.

Low-Income Seniors

According to San Francisco's 2022 Housing Element, the City's older residents, those 65 years and older, will grow more than any other age segment over the coming years, accounting for approximately 24% of the San Francisco population by 2040 (seniors were 16% of the population in 2018, according to the U.S. Census American Community Survey and a 2040 projection by the Association of Bay Area Governments). The Housing Element further notes that nearly 70% of senior renters in San Francisco are very low-income (earning 50% or less of AMI) or extremely low-income (earning 30% or less of AMI). The City and County's 2020-2024 Consolidated Plan further notes that "San Francisco's older adult population is predominantly female, persons of color, immigrants, speak a primary language other than English, and the lowest income seniors are concentrated in particular neighborhoods such as Chinatown, South of Market, and the Tenderloin." In addition to housing, many seniors are in need of transportation to medical appointments and grocery shopping, in-home supportive services, and recreational programs.

Senior housing units should emphasize accessibility, assuming that a large portion of residents will have a mobility impairment and many may have vision or hearing impairments. Design and programming of the services and community spaces are integral to the success of the Project and should be inviting and offer a variety of well-placed public and private spaces to ensure residents' comfort seeking assistance and facilitate opportunities for community building.

Senior and Family Households Experiencing Homelessness

Approximately 20% of both family and senior units will be set-aside for formerly homeless individuals/households. These units are essential in addressing the City's homelessness crisis. The need for permanent supportive housing units is described in HSH's strategic framework, titled "Home by the Bay" (2023-2028), the City's 2022 Housing Element, and MOHCD's 2020-2040 Consolidated Plan.

Applicants for PSH units will be referred to the Project by HSH through the Coordinated Entry process. The Coordinated Entry process serves as a standardized screening, intake, and assessment tool that is used to determine the specific needs of homeless persons and their eligibility for available programs and interventions. It is intended to serve as a referral resource to match households to the most appropriate resources. Applicants should assume that referred prospective tenants will be in need of intensive support as further described in Section IV.F below. All referred applicants will be persons or households experiencing homelessness in San Francisco.

PSH tenants will contribute 30% of their income toward rent. The difference between the tenant contribution and the cost to operate the unit will be covered by LOSP. Applicants should refer to the San Francisco LOSP Policies and Procedures Manual for additional information.

B. Land Use Restrictions

The land use controls of the Redevelopment Plan apply to Block 4W, and its development is subject to the review and approval of OCII, which has sole land use authority over Zone One of the Project Area. The Redevelopment Plan, Design for Development, and DCDG for the Transbay Redevelopment Project are available on OCII's website at http://sfocii.org/transbay. Because the Project is located within a redevelopment area, these Transbay redevelopment documents replace the City's zoning regulations.

The requirements include, but are not limited to, the following categories: height/bulk, open space, parking, off-street loading, bicycle parking, setbacks, signage, and utilities.

As previously noted, OCII may consider rezoning Block 4W to increase the height on one or more portions of the Site and may support other deviations from development standards as necessary to facilitate the delivery of a high quality Project. Any change to the development controls is subject to further studies, community outreach, environmental review determinations, and consideration and approval by the Commission. If a change requires a Redevelopment Plan amendment, the change would require approval from the Commission and the San Francisco Board of Supervisors. Applicants should address their approach in addressing the potential zoning changes and similar actions in their submittal.

C. Design & Construction

OCII requires excellence in architectural design and physical acknowledgement, through the highest design and construction standards, of the Site's prominent location in a high-density, newly developed, master-planned, mixed-use neighborhood. In addition to offering highly functional residential spaces, the Project's design must serve to frame the future Block 3 Park, activate the streets through a thoughtful ground floor design, and feature a contextual design that responds to the surrounding architecture both existing and projected.

The Design for Development allows for the maximum amount of creativity from the Applicant by identifying basic standards and guidelines, such as height and bulk, but otherwise relying primarily on design guidelines to direct the rest of the building design. Please refer to the DCDG and Design for Development comprehensive design standards and guidelines.

Along with review for compliance with Project Area standards, designs will be subject to review for cost containment, constructability, and overall efficiency based on best practices from OCII and MOHCD residential projects.

Building Envelope and Design	OCII Requirements
Building Heights	Refer to DCDG Map 5 for the current building height plan: • Townhouse (along Tehama St.): minimum 35', maximum 50' (maximum of 4 floors) • Podium 1 (along Beale St.): minimum 40, maximum 65' (maximum of 6 floors) • Podium 2: minimum 50', maximum 85' (maximum of 8 floors) OCII acknowledges that achieving the target unit count is not feasible within these height limitations and expects that heights of up to 240' may be appropriate for the Site. Applicants should carefully consider anticipated building heights and configurations, and explain rationale for the proposed massing. While deviations from the DCDG maximum heights are expected, Applicants should adhere to the urban design intent of the original DCDG and the Design for Development. This would include a reduced height of up to approximately 75 feet along Tehama Street to achieve a neighborhood scale framing the future Transbay Block 3 Park. To facilitate appropriate tower separations, a maximum height of 85 feet would be applied to portions of buildings closest to the Block 4E Tower Parcel away from Tehama Street. These height restrictions would only apply within approximately 30 feet from the Tehama Street property line first, and second,

	within approximately 30 feet from the interior property line dividing Block 4E and Block 4W. One specific goal of these restrictions would be to achieve a 50-foot minimum tower separation above 85 feet between any Block 4W towers and a future tower on 4E (See Attachment 22 for a hypothetical Block 4E market-rate tower extrusion).
Parcel Locations/ Dimensions	Refer to DCDG Map 3 for the parcel dimension plan. The DCDG establishes buildable areas within blocks as “parcels” based on building type/height as noted above. Parcel dimensions are as follows: • Townhouse parcel (along Tehama St.): 160’ x 40’ • Podium 1 parcel (along Beale St.): 125’ x 75’ • Podium 2 parcel (along Howard St.): 85’ x 75’ • Open Space parcel: 85’ x 50’ OCII acknowledges that parcel dimensions may need to be revised to improve building efficiency and operational feasibility for the Project. Applicants should study the existing parcel plan and, if deviations are proposed, provide an acknowledgement and explanation for the deviation in the design submittal narrative. While the location of the Open Space Parcel can shift, its dimensions should be maintained at 85’ x 50’, at a minimum. OCII will consider the impact of any proposed parcel plan deviations with the selected Applicant.
Setbacks	Refer to DCDG Map 4 for the setback plan: • Howard St.: 8’ to 10’ townhouse setback (beginning 40’ to 60’ from Beale St. corner) • Beale St.: 8’ to 10’ townhouse setback (beginning 40’ to 60’ from Howard St. corner) • Tehama St.: 6’ to 8’ townhouse setback While the DCDG does not contemplate a setback from the eastern property line (adjacent to Block 4E), Applicants should consider setting the building face back, to the extent feasible, approximately 5’ to 15’ from the property line to allow separation from the planned residential tower on Block 4E. The DCDG requires ground-floor residential units on the indicated townhouse setback portions of Howard and Beale Streets. While the original intent was to locate ground-floor residential units on portions of Howard and Beale Streets to enhance the linear park concept, adjacent blocks have developed at a higher density than originally anticipated. There is now precedent for locating more active and building supporting ground-floor uses such as retail or community amenity spaces at those locations. OCII would support a variance from the residential requirement along Howard and Beale Streets, as well as a change to the minimum setback requirement, if the project design demonstrates high-quality pedestrian realm design and consistency with the urban form of the surrounding neighborhood. Consistent with the Design for Development and the DCDG, ground floor residential units, accessed by stoops, are desired along Tehama Street to frame and activate Transbay Block 3 Park. These stoops will require the setback range stated above (see Townhouse Design below for additional information on stoops.)
Lot Coverage/ Floorplate Dimensions	Bulk controls do not apply to residential buildings below 85’. However, should Applicants propose heights in excess of the current DCDG requirements, Applicants should note that the following bulk controls apply for buildings 85’ to 250’ height: • Maximum floorplate: 7,500 square feet • Maximum plan dimension: 100’ • Maximum floorplate aspect ratio: 1:1.6 OCII acknowledges that the maximum floorplate limit and other controls may inhibit construction efficiency and thus overall financial feasibility. OCII may support a deviation from this standard, however, Applicants should note that an increase to the maximum floorplate is subject to Redevelopment Plan amendment approvals (including hearings

	at the Commission, Planning Commission, and Board of Supervisors). OCII makes no representation that such approvals will be granted.
Street Wall	• All buildings should define a consistent street wall framing public streets, required setbacks excepted. • Buildings with façade lengths greater than 100' along a side must use modulation and/or façade articulation to create a finer grained street wall. However, excessive modulation and articulation is discouraged for cost containment purposes.
Pedestrian Access	• Primary building entrances and lobbies may be located on Howard St., Beale St., or Tehama St. Lobbies should be prominent, inviting, and provide visual interest. • Along townhouse setback frontages, buildings are to be designed with individually accessible residential units, via stoops. See notes above in Setbacks and below in Townhouse Design. • Passenger loading on Howard St. and Beale St. will be constrained by adjacent cycle tracks. Applicants should consider this when proposing building access points.
Semi-Private Common Open Space	• Ground-level central courtyard (open space parcel), with shared access between the Family and Senior Project. • 16 square feet of open space per residential unit (this is in addition to the ground-level courtyard); can be met through any combination of shared rooftop gardens, podium level decks, solariums, or other landscaped areas, separate from the Open Space Parcel (see pp. 34 and 35 of the DCDG). • Open space areas, including the Open Space Parcel, must meet the dimensional requirements of the DCDG. • Design should attempt to maximize sunlight exposure to open spaces, particularly seating areas or other passive recreation spaces.
Townhouse Design	• First floor of townhouse units must be elevated between 2' and 5' above street grade; an elevation of 4' to 5' is preferred • Flats are preferable to units with internal stairs. Refer to the DCDG for additional design specifications
Retail Design	• Minimum depth of 30'. • Recommend corner entry
Code Compliance and Green Building	• Compliance with San Francisco Building Code and Administrative Bulletin AB-093 • Compliance with San Francisco Planning Department Standards for Bird-Safe Buildings adopted July 14, 2011 • Equivalent of LEED "Gold" rating or Green Point Rating of 125 or higher
Utilities & Building Services	• All garbage and recycling facilities must be located fully within each building, and must meet Recology pick-up requirements • Assume that garbage/recycling pick-up will not take place on Howard St. • Minimize blank walls and utility frontages
Vehicular Access & Loading	• No off-street loading facilities are required for residential development of less than 100,000 square feet; one space is requirement for 100,001 to 200,000 square feet; two spaces for 200,001 to 500,000 square feet • Loading access and locations will require careful consideration and coordination with OCII and City agencies due to the planned cycle tracks adjacent to the Site along Beale St. and Howard St. Applicants should note that OCII worked with SFMTA and SFPW to plan a curb cut on Beale St. to accommodate loading and trash needs for the Site. The approximate location of the curb cut is shown in a diagram of Beale St. improvements in Attachment 24. Due to the required geometry of the planned two-way

	cycle track along Beale Street between Howard Street and Tehama Street, SFMTA will only permit the one curb cut along Beale Street.

1. Surrounding Uses

Design should pay particular attention to the existing built environment. The Site is/will be surrounded by a mix of uses, including:

- Block 4E – The remainder of Block 4 is zoned for a residential tower project ranging in height from 350' to 450'. Applicants are advised that the development program will be determined by OCII and is subject to change from the approved zoning. Designs for Block 4W should assume the close proximity of an adjacent residential tower with underground parking and loading along the Site's eastern property line. Applicants may assume that Block 4E will include a ground floor separation that will provide the required visual and physical access to the Open Space Parcel (see Attachment 22).

- 250 Howard (Block 5, to the north) – "Park Tower" is a 45-story (550') office tower completed in 2018. The building includes ground floor retail along Beale Street (coffee retailer, "Blue Bottle"). Block 3 Park (to the south) – OCII will sponsor the design and construction of a future public park on Block 3. The park encompasses approximately one acre and may include various program elements such as a plaza, a children's play element, active sports courts/fields, or green spaces. Block 3, along with the Site and Tehama Site are currently activated by an interim use featuring food and beverage vendors, small retail, pickleball, soccer, movie screenings, and community events.

- 301 Howard Street (to the west) – a 23-story class A office tower completed in the 1980s. The building features a mix of commercial tenants as well as a ground floor retail space at the corner of Howard and Beale (coffee and juice outlet retailer, "Joe & the Juice").

- Transbay Blocks 2 East and 2 West (to the south, beyond the Block 3 Park) – Two 100% affordable, OCII-sponsored rental housing buildings sponsored by Mercy Housing (2 East) and Chinatown Community Development Center (2 West). Block 2 East will feature 184-units of family housing, a childcare facility, and two ground-floor retail spaces in a 17-story building. Block 2 West will feature 151 units of senior housing and three ground-floor retail spaces in a 9-story building. Both projects began construction in 2024 and are expected to be completed in 2026. Schematic design drawings are available to Applicant teams for reference upon request.

2. Green Design Guidelines

Improvements must meet San Francisco Building Code and Administrative Bulletin AB-093 and constructed to the equivalent of a Green Point Rated standard of 125 or LEED Gold rating. In addition, OCII seeks to maximize the overall sustainability of the Project to the extent possible through the integrated use of "green" building elements. Building features considered green or sustainable may include natural ventilation, daylighting, water conservation, and use of resource efficient and healthy building materials.

3. Priority Permit Processing

Pursuant to San Francisco Department of Building Inspection ("DBI") policy, this project qualifies as a designated priority permit because all of the units are affordable. The Applicant should become familiar with the priority permit procedures to ensure that DBI permits are reviewed expeditiously.

D. Affordability Restrictions & Financing Plan

All proposed financing will be subject to underwriting using the most current version of OCII/MOHCD Underwriting Guidelines and MOHCD policies. Applicants should use these guidelines and policies in preparing their financing plans. The documents are linked below and are available on the MOHCD website at http://sfmohcd.org/documents-reports-and-forms and http://sfmohcd.org/asset-management-multifamily-rental-housing:

- Underwriting Guidelines
- Residual Receipts
- Operating Fees
- Ground Lease
- Tax Credit Developer Fee
- Architecture and Engineering Fees
- Commercial Underwriting Guidelines
- LOSP Policies and Procedures Manual

OCII's goal is that Block 4W remain permanently affordable and thus affordability covenants and restrictions will generally not be subordinated. To ensure this outcome, OCII will transfer Site control to the selected Developers through long-term ground or air rights leases (with initial terms of 55-75 years). Following conversion to permanent financing, OCII will transfer its interests to MOHCD as the Housing Successor. The development program for the Site is in furtherance of the goals described in MOHCD's Consolidated Plan (2020-2024).

Applicants should submit, as further described in Section VI.A, a financial plan that demonstrates feasibility for both the Senior and Family Projects. Limited OCII resources may be available to assist in the development of the Projects; however, the Applicant will be expected to aggressively pursue non-OCII sources of development financing. Submittals will be evaluated, in part, based on the level of OCII subsidy required and the extent to which these funds are leveraged to obtain non-OCII sources. Applicants must account for all costs of development, including supplementary environmental remediation, if any; the Tehama Street extension, streetscape improvements, sidewalks, utility connections, and site work; demolition, grading and shoring; and all permitting and applicable City or other fees. To provide this information, Applicants must complete the OCII/MOHCD Sources and Uses Budget and include the following:

- **Primary capital funding sources.** Sources should consist of currently available sources, including but not limited to:

  - Low-income housing tax credits with tax-exempt bonds (9% credits from the regional pool will NOT be available to this project);

  - Federal Home Loan Bank Affordable Housing Program funds;

  - California Department of Housing and Community Development ("HCD") Multifamily Housing Program, Affordable Housing and Sustainable Communities, Infill Infrastructure Grant, or other HCD funding that may become available;

  - OCII subsidies; and

  - Any other funding that Applicants deem appropriate and feasible.

  Applicants should include an explanation of why the projects would be competitive for the various funding sources assumed and, if any sources were not assumed, why they were deemed inappropriate for the project in the financing narrative. The narrative should also describe assumptions such as tax credit pricing, state and federal credits, and amount of subsidy requested should be included for each funding source.

- **Rents.** OCII agreements will require that rents be set at an amount that is affordable to households earning up to 60% of AMI established annually by MOHCD, with an average rent/AMI at or below 50%. OCII encourages Applicants to describe anticipated market needs and propose an appropriate range of rent levels, specific to the Senior Project and Family Project. Restrictions based on the requirements of other Project funders may be allowed, however those restrictions may not be lower than 25% AMI and must include some units at 30% AMI.

- **LOSP.** Applicants should assume that the PSH units will receive funding support from LOSP, through 15-year contracts with MOHCD. Assume that tenants in these units will contribute $250 per month for rent and that the difference between the tenant contribution and unit operating cost will be covered by LOSP. This assumption is for purposes of financial modeling only and is subject to revision after an Applicant has been selected. Note that debt service cannot be paid for by LOSP, except for minimal mandatory annual interest payments for below market rate state financing covered by the Uniform Multifamily Regulations (such as MHP and AHSC). LOSP will cover required fees such as partnership and asset management fees and the limited partnership asset management fee, pursuant to MOHCD's Operating Fees Policy. Note that while this proposal should assume LOSP funding, Applicants may be required to apply for other subsidies such as (but not limited to) Continuum of Care to support these units in one or both projects.

- **Operating Subsidies.** For proposal purposes, Applicants should NOT include other rent or operating subsidies, including but not limited to: the San Francisco Senior Operating Subsidy, Faircloth to RAD, or project-based housing choice vouchers. OCII will work closely with the selected Developers and MOHCD to determine identify the type and quantity of such subsidies, if any, during predevelopment.

- **Operating budgets.** Provide separate operating budgets for the Senior and Family Projects that include all expenses necessary to properly operate and maintain the buildings, including front desk coverage and resident coordinators, but that exclude support services (i.e. case management). Costs associated with the ongoing maintenance of shared open space courtyard should be split between the Senior and Family Projects. It should be noted that all building owners, including owners of affordable housing projects, are required to pay annual assessments to the ECCBD for the services it provides throughout the East Cut neighborhood. Applicants should factor these assessments into their proposed operating budgets for the Senior and Family Projects. Applicants should refer to the ECCBD's Management Plan for information about calculating the anticipated assessments. The ECCBD Management Plan can be found here: https://www.dropbox.com/scl/fi/keccmvxqre3wkatx8y7l8/Management-Plan_The-East-Cut-Cover-Page.pdf?rlkey=gg3lwmqkfq7x2cznormr0mvhb&e=1&dl=0

- **Services budgets.** Provide separate services budgets for the Senior and Family Projects that include services staffing information (number of staff full-time equivalents ("FTEs"), type of services staff, roles of services staff) and identify potential services funding sources. Please see Section IV.D, below, for further information regarding required resident services. While services funding from HSH will be made available for these Projects, as noted below, Applicants are encouraged to leverage local services funding with other services funding sources.

- **HSH services support.** Applicants should assume for proposal purposes that HSH will provide $212,590 in annual services for 30 units for seniors experiencing homelessness and $554,023 in annual services funding for 40 units for families experiencing homelessness. Assume case management at a ratio of one FTE for every 25 residents for senior PSH units and a ratio of one FTE for every 20 households for family PSH units.

- **Construction.** Applicants must describe the anticipated construction type and provide detailed construction cost estimates. Applicants should assume a construction commencement date of January 2028 and should identify escalation assumptions consistent with this timeframe.

- **Streetscape maintenance.** The ECCBD will maintain certain aspects of the sidewalks on Tehama Street, Beale Street, and Main Street for an initial 15-year period which began on January 1, 2016. The CBD will maintain landscaping in the public right of way (except trees, which are the responsibility of SFPW), sweep and wash sidewalks, and clean street furniture. After the initial 15-year period, this may be extended or this responsibility may transfer to the affordable housing project owner(s).

- **Ground lease rents.** The selected Developers will enter into 75-year initial term ground or air rights lease agreements for the Senior and Family Projects (with options to extend to a total of 99 years) with OCII. The annual rent will be set at 10% of the appraised unrestricted value of each site. The rent will be re-determined every 15 years thereafter, as determined by an MAI appraiser selected by and at the sole cost of tenant. For purposes of this proposal, Applicants should assume that annual rent will be comprised of a $15,000 annual base rent to be paid as an operating expense (assume a separate base rent for each of the projects). Applicants should note that annual base rent must be considered an "above the line" expense for each project. Residual receipts payable to OCII/MOHCD will not be applied to ground lease rents. Any residual receipts flowing to OCII/MOHCD will be applied toward payment of the loan agreement.

- **Non-residential costs and income.** Applicants should refer to the MOHCD Commercial Space Underwriting Guidelines for policies regarding expenses and income for the development and operation of the commercial space. A separate proforma for the commercial space is not required for the proposal submittal. The commercial cost should be included in the permanent sources and uses and operating budget for either the Family Project or Senior Project. The residential proforma should include the cost of constructing the commercial warm shell. Applicants should follow the guidelines applicable to a Public Benefit/Commercial-Serving Use described in the MOHCD Commercial Underwriting Guidelines. The proforma should assume nominal commercial rental income.

E. Occupancy Preferences & Resident Selection

Preference for occupancy of senior and family units shall be given first to Preference Holders and the selected Developers should seek financing that is compatible with this preference. OCII will apply housing preferences authorized under OCII Resolution No. 09-2019 (April 16, 2019), including those under Chapter 47 of the San Francisco Administrative Code to the extent that they are consistent with other applicable laws and policies. Preference will be given in the following order:

1. Preference Holders, including direct descendants of originally displaced individuals (Cal. Health & Safety Code §§ 33411.3 and 34178.8) (please see Attachment 20 for the Property Owner and Occupant Preference Program, adopted in 2020)
2. Displaced Tenants Housing Preference
3. Neighborhood Resident Housing Preference
4. San Francisco residents or workers
5. Members of the general public

The Developer will establish separate tenant selection policies for the Senior and Family Projects. The policy for the Senior Project will define age eligibility, consistent with federal and state law. Tenants for both Projects must meet the income eligibility criteria and the Developers' established screening requirements for the Projects, which must be consistent with OCII's marketing policies. Any authorized preference shall be permitted only to the extent that such preference does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit on account of any basis listed in Subsection (a) or (d) of Section 12955 of the California Government Code. OCII or its agent will work with the selected Developers to resolve any potential occupancy conflicts and to ensure adherence to the above-listed OCII occupancy preferences and marketing requirements.

As previously noted, staff from HSH will provide tenant referrals for the PSH units through the Coordinated Entry process. Pursuant to HSH and LOSP policies, tenants in PSH units must be experiencing homelessness in San Francisco.

1. Advertising and Marketing

Starting one month after construction commencement, the selected Developers must provide an Early Outreach Plan with an emphasis on outreach to and rental readiness and application preparation assistance for Preference Holders. The Developers must select a third-party housing counseling agency for these services and execute a memorandum of understanding (or similar document). A pre-approved provider list will be provided to the selected developer in the Early Outreach Plan template (OCII will provide this template to Applicants upon request). Three months after construction commencement or 18 to 12-months prior to the anticipated Temporary Certificate of Occupancy, early outreach shall begin. Failure to submit an Early Outreach Plan with the allotted timeframe, may result in default and/or assessment of negative points to Developer's subsequent RFP/Q submissions.

After the early outreach period, the Developers will be expected to prepare and implement robust marketing plans for each Project that successfully outreach to low-income seniors and families. The Developers must provide notice of the rental opportunities through public meetings and mailings. The Developers must make support service staff available to prospective applicants, as they may require, for the purpose of assisting them throughout the applicant process and maximizing their participation.

Beginning in predevelopment, through construction and initial lease-up, and on an ongoing basis, OCII and MOHCD will require compliance with OCII, MOHCD, and HSH standards and protocols and regular communication and collaboration with staff from these agencies. Requirements will include early outreach planning and implementation, marketing planning and implementation, public lotteries for initial lease-up, appeals processing, lease-up, and ongoing wait list management.

F. Resident Services

The successful provision of resident support services is critical to the overall success of the development program for both the Senior and Family Projects. The submittal should address (in Section VI.G) a clear services plan for all target resident populations, describe the approach and the organizational capacity of the services provider, and describe any commitments from prospective providers or funders.

PSH unit residents will require intensive support services and case management. Both the Family and Senior Projects should include appropriate services coordination and connections for resident households. Services should be designed to serve the anticipated resident populations.

1. Minimum Requirements

- An understanding of the housing and service needs of the tenant populations.
- A clear program design that incorporates: tenant-based services, access to and coordination of mainstream community services, and subcontracted and/or partner services.
- An understanding of employment issues as they relate to people experiencing homelessness and a clear program design that incorporates direct services on site as well as access to and coordination with community based subcontracted and/or partner services.
- Experience providing required services in a housing setting.
- A commitment by the services provider(s) to coordinate with the property management through regularly scheduled tenant meetings to ensure sound operational and building management practices.

2. Organizational Capacity

- A track record or other demonstration of effective collaboration that illustrates the ability of the organization to effectively coordinate and deliver services and other resources needed by families and seniors being served within a housing program.
- Commitment(s) from housing and/or service providers and additional funders (public or private), describing in-kind, leveraged, or matching funds for proposed services that will complement the applicant's contribution and a plan for securing additional resources over time.
- Demonstrate project readiness by providing a descriptive narrative and budget.

3. Supportive Service Model

Resident services should be tailored to specific resident needs in both the Family Project and Senior Project. Applicants should outline a resident services program that anticipates potential needs and describes staffing.

For the PSH unit residents, the service models should focus on permanent supportive housing with intensive wrap-around services. The service provider(s) must demonstrate their familiarity with the core principles of the trauma informed system (TIS) and housing first principles. Providers should use a tenant-centered model that provides, or facilitates in the provision of, an array of non-mandatory voluntary services that encourages tenants to utilize them. In addition to case management, other supportive services identified to be necessary for housing stability should be available. TIS should be included at all levels of housing management, and specific comments included in the services and resident selection plans.

Service activities (both Senior and Family Projects):

- TIS that includes initial and ongoing training for both services and property management staff/teams.
- Develop knowledge, skills, and ability to engage and assess formerly homeless families and seniors in collaboration with property management during the resident selection period. Ongoing outreach and engagement to the tenant populations
- Mental health and substance use management and recovery
- Eviction prevention counseling and advocacy and early intervention or problem solving on issues that may affect housing stability
- Advocacy or assistance in solving legal or financial problems
- Coordination of tenant involvement with property management
- Access to basic needs such as clothing and food
- Conflict resolution among tenants using trauma informed principles
- Recreation, community building, social, and/or other group programming
- Adult learning, particularly opportunities for adults who may need literacy support
- Access to benefits and educational opportunities as appropriate
- Opportunities to move up the housing ladder via the Moving On Initiative or other programs

For the Family Project, activities should be coordinated on site for school age children. These may include after school homework and/or tutoring help, arts and crafts, and other enrichment activities. Children's service programming should also take into consideration the special needs of formerly homeless children and be prepared to address cases of emotional and behavioral issues. Service activities (specific to the Family Project):

- Referral to or provision of supported pre-vocational/vocational activities appropriate for the skill level of residents
- Adult education, employment skill development, and job placement and retention services
- Parenting support and life skills coaching using trauma informed parenting providers
- Child and youth services including academic support, after school enrichment, recreation, youth development, and counseling

For the Senior Project, services should emphasize access to aid programs and benefits, physical and mental well-being, and community building. Service activities (specific to the senior project):

- Referrals and assistance with accessing primary medical care and other community services as needed
- Access to in-home care services

G. Property Management/Maintenance Oversight

Applicants may choose to manage the Family and Senior Projects by the same property manager or propose a different property manager for each project. If the same property management entity is selected, the Applicant should ensure that the properties are separately staffed and operated to ensure fair housing compliance and a management approach that is specific to the resident population to be served. The selected property management company or companies must have demonstrated successful approaches to managing buildings targeted for each proposed tenant population, including family housing, senior housing, and integrated housing that serves formerly homeless persons in compliance with housing first principles. Applicants should provide a narrative description of the property manager's specific experience working with these populations. This narrative description should include the property management company's experience with and approach to working with on-site and community service providers to ensure resident safety and stability.

The property manager(s) should exhibit a commitment to provide sound operational and building management staff who is willing to meet with residents, the Developers, and the services provider(s) at regular meetings. Applicants must also show that the property management company is experienced in assisting new developments to become integrated into the neighborhood by cultivating good relationships with neighborhood residents, businesses, and other stakeholders. Applicants should provide information regarding the property management company's approach to building security and maintenance. Applicants should assume that the property manager(s) will provide 24-hour desk coverage.

H. Equal Opportunity Programs

OCII has an Equal Opportunity Program ("EOP") that requires that OCII-sponsored projects provide benefits to economically disadvantaged communities and local residents. The EOP consists of the policies and programs that are described in Attachments 12 through 18 of this RFP.

As part of the RFP response, the Applicant shall submit a WCAP that addresses how the team will implement the following policies and programs: Nondiscrimination in Contracts and Benefits, SBE Policy, Minimum Compensation Policy, Health Care Accountability Policy ("HCAP"), Prevailing Wage, Permanent Workforce, and Construction Workforce. The WCAP should identify the person responsible for its implementation. This individual may be an in-house staff member or outside consultant. In addition, the WCAP should briefly describe how an SBE associate architect and general contractor joint venture (described below) could potentially be utilized in this project.

As previously noted, an Applicant is defined as a team comprised of only the following: (1) a for profit or non-profit Housing Developer and non-profit co-developer (2) property manager, (3) a lead architect, (4) a WCAP consultant (if an outside consultant is being proposed), and (5) a qualified services provider. Any and all other consultant(s) to the development team shall be brought on to the project at a subsequent stage pursuant to OCII's SBE Policy.

OCII strongly encourages the Applicant (and those consultants and contractors, including the general contractor, that the Applicant will bring on to the project after Applicant selection) to create joint ventures or similar partnership relationships with San Francisco-based SBEs looking to build capacity and gain experience.

1. SBE Associate Architect

OCII requires that the successful Applicant cooperate with OCII to identify substantive design elements of the Projects, to the extent practicable and economically feasible, to be offered to one or more SBE associate architect(s) and competitively solicit SBE associate(s) architect pursuant to OCII's SBE Policy even if the Applicant's lead architect is an SBE. It is expected that the role of the associate architect(s) should be meaningful and collaborative, such as providing the associate architect(s) a discreet massing component and involving the associate architect in design through the completion of the Project. OCII expects that the associate architect scope will comprise at least 35% of the total design contract. To allow for collaboration from concept through construction, OCII emphasizes that massing concepts presented in response to this RFP should be not include architectural designs and should be further developed only after the selection of an SBE associate architect(s).

2. General Contractor Joint Venture

OCII requires that the successful Applicant cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, the successful Applicant shall cooperate and require the general contractor to exercise good faith efforts to select subcontractors who are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

I. Community Outreach

It is critical to the success of the development program that the selected Developers establish positive links with the Transbay community throughout the development process. A Transbay CAC member will review proposal submittals and participate in the Evaluation Panel. The Transbay CAC will review and confirm the proposal recommended by the Evaluation Panel and OCII Executive Director, prior to review by the Commission. In addition, the Transbay CAC will be asked to make a recommendation regarding schematic design concerning the Site and any OCII financing approvals for the Project. The selected Developers are expected to maintain an ongoing relationship with the Transbay CAC during development and once the Projects are operational.

J. Tehama Improvements

The Transbay Streetscape & Open Space Plan identifies Tehama Street and Clementina Street as "… 'pedestrian alleys' that provide important east-west connections across the neighborhood. The plan anticipates that these alleys will be open to vehicular traffic but incorporate features such as raised crosswalks to calm traffic and improve pedestrian comfort and safety. OCII has engaged SFPW to design the extensions of both Tehama and Clementina Street between Main Street and Beale Street, as an extension of their work on the design of the planned public park on Block 3. While SFPW has prepared designs for Tehama Street, these designs were prepared with the expectation that the improvements would be constructed by the Block 4 vertical developer. The Tehama Improvements will be funded by OCII separately from the Family Project and the Senior Project.

The Block 3 park, Clementina Street, and related streetscape and infrastructure improvements will be completed in phases. The first phase, including Clementina Street, portions of sidewalks along Main Street and Beale Street, and other infrastructure improvements, is planned to begin in January 2025. The Block 3 park will be constructed in phase 2 and may be subject to design revisions.

As depicted in SFPW's 100% construction documents, the Tehama Improvements currently include:

- Buildout of the new Tehama Street roadway extension, including sidewalks, lighting, street trees, and raised crosswalks at each corner of Tehama Street;
- Raised north-south pedestrian crossings at the Tehama intersections with Beale and Main Streets; Main Street water line relocation; and
- Sidewalk widening on Main Street adjacent to the eastern portion of Block 4 (Only the Tehama Street interface with Main Street will be widened when Tehama Street is constructed. The balance of the Main Street sidewalk will be widened when Block 4E is developed).

Other improvements to serve the Project may be needed, as identified by the selected Applicant in coordination with SFPW, SFMTA, SFFD, San Francisco Public Utilities Commission, and other utility providers. Please see Attachment 23 for the proposed area of the Tehama Improvements work.

The SFPW Tehama Street 100% construction documents were completed in response to a previous development proposal for the entire Block 4 site which was planned to be entirely Type I construction. The Tehama Street 100% construction documents did not envision the new street as providing fire access point for Block 4, but the design does provide passenger loading for the Project. OCII will provide the selected Applicant with the Tehama Street 100% construction documents to work from, and the selected Applicant should plan on revisiting the street's design with OCII and the City's reviewing agencies to ensure the Tehama dimensions are optimized to serve all of Block 4. To ensure pedestrian and emergency vehicle access in time for initial occupancy of the Project, the selected Applicant will be responsible for constructing the Tehama Improvements through a short-term horizontal ground lease or similar agreement in which OCII will reimburse the selected Applicant for the Tehama Improvements work (for clarity, OCII expects that this work will be funded separately from the residential Projects). The selected Applicant will also be responsible for ensuring the Tehama Improvements meet City standards, closing out the construction phase and, upon completion, transferring the Tehama Improvements to SFPW.

SECTION V. SELECTION PROCESS & CRITERIA

A. Selection Process

1. Submittals will be accepted only until the dates and times shown in Section II.A and E.

2. Submittals will initially be electronic, uploaded to OneDrive pursuant to instructions emailed to registered Applicants. Electronic submittals must be followed by three (3) hard copies to be considered. No submissions received by facsimile or electronic mail will be considered. The Applicant is solely responsible for ensuring that all information requested in Section VI Submission Requirements is submitted.

3. OCII staff will contact references.

4. Applicants who have provided submittals that meet the requirements of this RFP may be interviewed. Interviews are scheduled to be held on the date(s) shown in Section II.A. These dates are subject to change. All Applicants should advise OCII staff of availability on these days. Interviews will be held at OCII, located at One South Van Ness Avenue in San Francisco on the fifth floor (note that interviews may be conducted via video call).

5. Further information or written material regarding qualifications or submittals may be requested prior to or following interviews.

6. OCII Executive Director will make a recommendation to the Commission based on the input of the Evaluation Panel review of the submittals, interviews, and reference checks.

7. The Commission will approve selection of the successful Applicant.

B. Selection Criteria

The selection of the Applicant will be based on the strength of all aspects of the proposed development concept, as well as the Applicant team members' experience as described below.

Maximum Points	Criteria
60	**Development Concept**
20	Development Concept and Approach
10	Financing Plan
10	Community Engagement/Marketing Plan
5	WCAP
5	Supportive Services Plan
10	Design/Massing Concept
40	**Team Experience and Capacity**
10	Applicant Team Composition and Structure
10	Developer
5	Co-Developer
5	Architect
5	Supportive Services Provider
5	Property Manager

100	**Maximum Total Points**

Ranking will also be based on staff experience and capacity in light of current and projected future workloads; success of its submittal in the Evaluation Panel interview; and ability to comply with OCII policies and requirements.

SECTION VI. SUBMISSION REQUIREMENTS

The Applicant must submit electronically, based on the instructions emailed to registered Applicants. The electronic submittal must be followed by a hard copy submittal, **including** three (3) copies of the submittal containing the information requested in this RFP.

Applicants are to provide the requested information in the order indicated below. For electronic submittals, each section A-G must be a separate PDF file, with the file name labeled according to the Section names below. Note, however, that the pro formas should be uploaded as excel files. For hard copy submittals, include a table of contents, with sections separated by labeled tabs corresponding to sections A-G below and their sub-sections.

Electronic and hard copy submittals must be submitted to OCII, on or before the time, date and at the place shown above in Section II. E. Hand delivery is advised for hard copy submittals. Late, incomplete, emailed, or faxed submittals will **not** be considered.

A. Development Concept & Financing Proposal

Using standard estimating techniques and clearly describing key assumptions, provide the following documents:

1. **Project Description (Narrative):** Submit a narrative of no more than four (4) pages describing the Applicants' vision for the Project. The narrative should address:

    a. Vision for the Project program, including residential and commercial uses, features, and amenities;

    b. Strategy for maximizing cost containment and financial feasibility in all aspects of the Project including predevelopment, construction, and operations;

    c. Strategy for addressing and ensuring diversity, equity, and inclusion in all aspects of the Project including predevelopment, construction, and operations;

    d. Strategy for resident transportation and mobility. Describe your plan for assisting residents in accessing workplaces, schools, affordable grocery outlets, senior centers, and other goods and services. Such strategies may include, but are not limited to, on- or off-site vehicular parking, bicycle access, car/ride share vouchers, and van services. Include preliminary cost estimates for suggested strategies.

    e. Anticipated development approach and schedule, describing the relationship between the Project and the Tehama Improvements.

2. **Alternative Development Scenario: Single Building (Narrative):** Submit a narrative of no more than two (2) pages assessing a development scenario in which initial development on Block 4 was provided in a single building, rather than two buildings as otherwise contemplated herein. See description of Alternative Development Scenario: Single Building in Section IV.A.

    The narrative should address:

    a. Potential number of units that may be developed in a single affordable building;

    b. Potential merits and drawbacks to this approach, which may include (but are not limited to):

        i. Financial feasibility (development and operational);

ii. Constructability;
iii. Property operations, management, and maintenance; and
iv. Quality of resident experience including living environment and amenities; and

c. Approach to collaborating with OCII to determine and pursue the optimal development approach (describe future studies that may be undertaken, research and information you might seek, and a suggested collaboration approach and methods).

3. **Financing Plan (Narrative):** Submit a narrative of no more than three (3) pages that clearly describes the anticipated development and operating costs and financing sources for the Project that is consistent with the Development Program as described in Section IV.

a. **Sources and Uses (Attachment 10, Tab 4b):** Fill out the OCII/MOHCD construction and permanent sources and uses budget. Please prepare three (3) separate budgets, one each for the Senior Project, Family Project, and Tehama Improvements. Please contact the RFP representative if the spreadsheet needs to be modified. Please include construction cost estimates that consider the elements and requirements as described in Section IV. As noted in Section IV.D above, commercial costs should be included in the budget for either the Senior Project or Family Project.

b. **Operating Budget (Attachment 10, Tab 6):** Fill out the OCII/MOHCD 1st Year Operating Budget. Please prepare two (2) separate budgets, one each for the Senior Project and Family Project.

c. **Cash Flow (Attachment 10, Tab 7a):** Submit separate 20-year cash flow projections for the Senior and Family Projects using the template provided. As noted in Section IV.D above, nominal commercial revenue and commercial expenses should be included in the budget for either the Senior Project or Family Project.

4. **Community Engagement and Marketing Plan and Budget (Narrative):** Submit a narrative no more than three (3) pages describing the approach and plan for community outreach, marketing, and lease-up, with a particular emphasis on strategies to maximize Preference Holder placement:

- Applicant’s overall philosophy and strategy for marketing the non-PSH units to low-income families and seniors, particularly those receiving preference. Describe outreach elements as well as the proposed staffing model to support potential tenants through the application and leasing process, i.e. through internal staffing or through the use of a dedicated consultant.
- Specific outreach methods that have been most useful in engaging potential applicants, as well as methods to assist applicants in compiling the leasing process. Describe ways to tailor these methods or propose new approaches to best serve tenants in both the Senior Project and Family Project.
- Providing the community (especially Preference Holders) an opportunity to participate in the design process.
- Description of early rental readiness services delivery to prospective tenants, especially Preference Holders.
- Marketing budgets for both the Senior Project and Family Project that are consistent with the Applicant’s marketing plan.
- Commercial marketing - describe proposed marketing efforts and target tenants for the commercial space, including collaboration with OEWD and/or community-based organizations to identify small businesses that may benefit from access to retail space and who may, in turn, provide goods and services that would benefit neighborhood residents. Describe capacity and experience successfully working with such small businesses; such experience may include micro/small local food-related businesses and programs that support them. Describe planned efforts to assist prospective tenants in connecting with programs that may provide tenant improvement financing or other support.

4. **WCAP (Narrative):** Submit a WCAP of no more than three (3) pages describing the specific steps that the development team will take to meet or exceed the contracting and workforce obligations in **Attachments 12 through 18** of this RFP and includes information regarding the following:

- Demonstration of the Applicant's knowledge and familiarity with OCII/City workforce and contracting policies and programs.

- Clear identification of the WCAP Lead responsible for leading EOP compliance (this person(s) will be responsible for regular coordination with OCII on program implementation). This may be a staff member(s) at one or more of the Developers or an outside contractor. Describe the experience of the responsible party in this work and describe their preparation for undertaking this role, understanding of the program, capacity, and relevant experience.

- Demonstration of the Developer and Co-Developer's track record of prioritizing SBE participation in project development and construction. Highlight ways in which the Developer and Co-Developer will collaborate with partners to create meaningful SBE growth opportunities.

- Describe specific implementation actions that the Applicant proposes to achieve the best results for meeting or exceeding the goals, including outreach methods, key partnership, and other methods and actions.

5. **Services Plan (Narrative):** Submit a Services Plan of no more than two (2) pages that is consistent with the resident services as described in Section IV.F and that includes the following information:

- Services provider's philosophy and plan for providing services to Family Project and Senior Project residents, and intensive support services to residents who have experienced homelessness.
- Methods that have been most useful in engaging clients. Please also describe ways to tailor those methods, or develop new approaches to best serve residents of the Family and Senior Projects.
- Describe your proposed staffing model and explain how time will be allocated (note staff titles, position descriptions, salaries, and FTE).
- Include a services budget that is consistent with the Services Plan as described in Section IV.F. Please break out costs between the Senior and Family Projects or provide two distinct budgets.

6. **Massing Concept:** To allow for collaboration from concept through construction and to minimize work completed prior to developer selection, OCII emphasizes that massing presented in response to this RFP should be simplified with no architectural design (i.e. elevations). Instead, and of great importance, please provide thoughtful inspirational images and precedents to communicate the Applicant's design concept and intent. Please carefully review the submission requirements below. Submission of additional architectural drawings beyond what is shown below may result in a reduction of points in the Proposed Massing Concept category.

   a. *Narrative*: Submit a narrative of no more than three (3) pages that describes the design concept including the Applicant's vision and approach, and a description of construction type, building materials, cost containment strategies, and green building strategies and elements. The narrative should highlight and explain key proposed deviations from DCDG standards. The narrative may include up to three inspirational and precedent images that illustrate aspects of the Applicant's design concept and intent. For any images provided, include a short caption that identifies the elements that are relevant to the concept for Block 4W.

   b. *Drawings*: Provide the following drawings formatted on 11x17 sheets in a "landscape orientation" in black and white (color may be used only to differentiate program areas from one another and shall not be used to depict material finishes):

      i. *3-D Massing Diagrams:* Two (2) diagrams depicting the conceptual building massing and scale as it relates to existing or planned buildings on surrounding lots, as well as a hypothetical future massing of a 450'+ market-rate tower located on Block 4E (please see Attachment 22). Diagrams should <u>not</u> show windows, doorways, texture, color, or detailed articulation. Applicants may use some discretion in determining the specific angles of the views presented, however, one diagram should show the building massing as seen from the south looking north (showing the frontage along Tehama Street and the planned park on Block 3) and the other should be from the north looking south (showing the Howard Street frontage).

ii. *Site Plan:* at 1/32” = 1’-0” showing building massing and the relationship of buildings, open space, and streets areas. Indicate approximate locations of amenities, residential lobby entrance(s), retail, housing layouts, elevator, auto ingress/egress, utilities, etc.

iii. *Sections:* Two (2) site sections at 1/32” = 1’-0”, one longitudinal and one transverse, that best describe the massing concept. Please include the projected future 4E tower in the longitudinal section per included diagram.

iv. *Floor Plans:* Plans of all floors at 1/32” = 1’-0”, showing proposed uses. Floor plans should indicate the number of bedrooms per unit, but not show unit layouts or detail layouts of any of the uses.

NOTE: The intent of the drawings is not to develop an architectural design for the Site, but to illustrate unit mix and the massing implications of the proposed development program. Applicants are required to submit only their proposed architecture massing concept in their proposal according to the criteria above.

No other drawings, renderings, elevations, or models of any kind are required or will be accepted at the time of submittal. Submittals in excess of the required materials shall be returned and will not be eligible for any payments pursuant to Section IX.G.2. Furthermore, Applicants are prohibited from presenting any additional drawings, renderings, elevations or models in excess of the accepted submission at community meetings, interviews, or Commission meetings.

B. Applicant Description

1. **Applicant Structure and Approach (Narrative):** Provide a narrative of no more than two (2) pages that describes how the team will work together during predevelopment, construction, and in the ownership and operation of all aspects of the completed Project. The narrative should:

   a. Clearly articulate key Developer and Co-Developer roles and responsibilities for the Senior Project, Family Project, and Tehama Improvements. State the developer fee and ownership splits.

   b. Explain the rationale for the planned Developer/Co-Developer roles and the intended benefits/growth outcomes for the Co-Developer.

   c. Identify the party or parties responsible for:

      - leading EOP compliance;
      - resident services and supportive services;
      - property management; and
      - early outreach, marketing, and lease-up.

2. **Memorandum of Understanding (“MOU”):** Attach MOU between the Developer and Co-Developer(s).

3. **Applicant Description Form (Attachment 1):** Complete the Applicant Description Form.

4. **Résumés:** Submit résumés for all persons identified on the Applicant Description Form.

C. Developer Experience & Capacity

5. **Developer and Co-Developer Experience (Narrative):** Submit a narrative of no more than two (2) pages describing the relevant experience of the Developer and Co-Developer. The narrative should address:

a. Experience developing complex affordable housing projects on in-fill sites, and track record in delivering projects on schedule and within budget.

b. Experience effectively partnering with other developers and ways in which the experience of the Developer and Co-Developer is complementary and why it is relevant in preparing the team to successfully complete the Project.

c. Expertise in affordable housing finance and experience securing capital and operating sources. As applicable, highlight any experience successfully utilizing unique or innovative financing strategies.

d. Demonstrated commitment to racial equity and effective implementation of organizational diversity, equity, and inclusion plans and programs. Provide specific examples of effective program/policy implementation.

e. Understanding of the Preference Holder program and relationships with organizations serving Preference Holders.

f. Relevant marketing experience, including Developer's experience, if any, with successful targeted outreach to Preference Holders and with MOHCD's electronic marketing and housing portal, DAHLIA.

g. Experience overseeing commercial unit development and successfully identifying tenants and securing long-term leases. Include any experience collaborating with OEWD or community-based organizations to identify and assist prospective tenants.

h. Staffing plan and strategy for consistently staffing the Project in the event of staff turnover or absences.

6. **Developers' Workload Capacity (Attachment 2):** Complete the Staffing Workload Form for the Developer and Co-Developer. The forms must identify all staff members for each of the developer entities who will have a project management role.

7. **Developer and Co-Developer Experience in Comparable Projects (Attachment 3):** Complete the Comparable Projects Experience Form for the Developer and Co-Developer. Developer and Co-Developer should use this chart to convey their experience in at least one (1) up to a maximum of two (2) projects completed within the past ten (10) years by the Developer and Co-Developer, that are ***comparable*** to the proposed Project. For purposes of this RFP, a comparable project would be an affordable rental housing project that serves low-income families or seniors of relevant size and scale. The lead Developer must include at least one (1) comparable project in which at least a portion of the population served is formerly homeless households. Photos of projects may be included but are not required.

8. **Developer and Co-Developer Experience in Other San Francisco Projects (Attachment 4):** Complete the San Francisco Projects Experience Form. Developer and Co-Developer should use this chart to describe their experience in any other projects developed *within San Francisco only*. Photos of projects may be included but are not required.

D. Architect Experience & Capacity

1. **Architect's Experience (Narrative):** Submit a narrative of no more than two (2) pages describing:

a. *Relevant Experience:* Describe the Architect's experience on affordable housing projects of a similar scale in San Francisco and/or in other urban settings. Explain how this experience has prepared the Architect for this opportunity. Include descriptions of the specific experience and current capacity of staff members who will be assigned to the Project. Provide examples of the Architect working within constrained budgets.

b. *"Green" Experience:* Describe green building design experience and evidence of current Green Point Rated professionals, if any.

c. *Local Regulatory Experience:* Describe experience working with the San Francisco Department of Building Inspection and other local permitting agencies. Highlight any experience on projects that required re-zoning and CEQA analysis.

d. *Racial Equity:* Describe the Architect's efforts to improve diversity, equity, and inclusion. This may include training programs, recruiting and hiring practices, staff training, and collaborations.

e. *Management of an Associate Architect:* Describe experience working with an associate architect(s) and how an associate architect may be utilized on this Project. Describe your approach to determining a scope of work that will enhance the Project design and ensure a meaningful experience for the selected associate architect(s).

f. *High Quality Design at Affordable Cost:* Describe experience in designing and delivering excellent design that blends seamlessly with the surrounding environment, and is also highly efficient and cost effective. Describe how this experience has contributed to your vision for addressing cost constraints while providing a design for Block 4W that is appropriate to its central location at the heart of the emerging Transbay neighborhood.

2. Architect's Workload Capacity (Attachment 2): Complete the Staffing Workload Form. Include all staff members who will have a role on the Project.

3. Architect's Experience in Comparable Projects:

a. *Project Descriptions*: On no more than one page for each project (including the photos noted below), provide a description of at least one (1), but no more than three (3), completed comparable developments (preferably projects located in San Francisco). For all projects, include the design and development timelines, dates completed, and client contact information. Note any budget or financing constraints. If the Architect was not the sole architect, please describe the Architect's role in the project.

b. *Photos*: Submit three (3) photos of the interiors and exteriors of the comparable projects listed above, to display architectural design features, relationships of buildings and relationships with adjacent uses (other developments, streets, etc.). Images should include elements that are relevant to this Project including residential structures, lobby/retail frontages, and townhome-style entries. Please also submit a reference floorplan of a typical residential level from any of the comparable completed projects listed above, demonstrating attentiveness to livability, thoughtful accommodation of potential furniture layouts, and excellent light penetration to habitable spaces including living rooms, dining rooms, studies, kitchens and bedrooms.

E. Property Manager Experience and Capacity

1. Approach (Narrative): Provide a written narrative (no more than two (2) pages) describing the Property Manager's relevant experience and approach to serving residents in affordable housing communities (if different property managers are proposed for the Senior and Family Projects, please include a separate narrative for each):

- Experience managing and effectively maintaining an affordable rental housing community of a comparable scale achieving high rates of housing retention, serving a comparable tenant population, and in which a portion of units are occupied by households who have experienced homelessness.

- Experience effectively collaborating with on-site and community supportive service providers. Provide examples of positive working relationships.

- Policies and practices to ensure resident safety and stability.

- Demonstrated commitment to racial equity and effective implementation of organizational diversity, equity, and inclusion plans and programs. Provide examples of effective plan/program implementation.

- Anticipated project management staffing, organizational capacity to take on new projects, and demonstrated ability to fill open positions in a timely manner with qualified staff. If the Property Manager has had any property management contracts prematurely terminated in the last five years, include an explanation for each termination.

2. **Property Manager's Experience in Comparable Projects (Attachment 5):** Complete the Property Management Experience Form. If different property managers are proposed for the Senior Project and the Family Project, please complete a Property Management Experience Form for each entity.

F. Service Provider(s) Experience and Capacity

1. **Service Provider's Experience (Narrative):** Provide a written narrative (no more than two (2) pages) describing the Service Provider's approach to providing services to residents of affordable housing.

- Experience in providing culturally competent services and in collaborating with parties from different disciplines (e.g. developers, property management agencies, government, outside service providers, etc.).

- Demonstrated commitment to racial equity and effective implementation of organizational diversity, equity, and inclusion plans and programs. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities. Provide examples of effective plan/program implementation.

- Services Provider's understanding of the challenges facing clients transitioning from homelessness to housing. Describe the provider's approach to addressing such challenges as they arise, including achievement and maintenance of housing stability, eviction prevention, and crisis intervention, prevention, and diversion.

- Experience in/approach to serving clients with severe and persistent mental illness and those with substance use issues, as well as approach to providing harm reduction services in a housing setting.

- Describe the organization's capacity to provide services at new projects, and demonstrated ability to fill open positions in a timely manner with qualified staff. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination.

- Confirm the Services Provider's conformance to the minimum qualifications listed in Section IV.F. Include at least two (2) letters of reference or the names, organizations, and contact numbers of two persons willing to act as a reference on your behalf. Please include a list of all programs you operate currently and the sites at which those programs operate. (This list may be included as an appendix.)

2. **Service Provider's Experience in Comparable Projects (Attachment 6):** Complete the Supportive Service Provider's Experience Form (if different providers are proposed for the Senior and Family Projects, please submit a separate form for each provider).

G. Other Required Information

Note: these items need only be submitted in the electronic file. Copies do NOT need to be included in the hard copy sets.

1. **Disclosure Questions (Attachment 7):** Each Developer/Co-Developer entity, as defined in Section A of **Attachment 1,** Applicant Description Form, must complete and submit the Disclosure Questions. These questions are designed to identify any potential conflicts of interest and/or liability issues. A summary of

Government Code Section 87103 containing the relevant portion of the Fair Political Practices Act is included as a footnote on the Disclosure Form for reference. Applicants should also be familiar with the San Francisco Government Ethics Ordinance, San Francisco Campaign & Governmental Conduct Code, §§ 3.200, et seq. ***Failure to include complete, signed certifications will disqualify the submittal.**

2. **Statement of Compliance with OCII Policies (Attachment 8):** Each Developer/Co-Developer must agree to comply with all of OCII's policies, including but not limited to, SBE Policy, construction workforce requirements, and insurance and indemnification requirements found in this RFP and shall execute the statement of compliance certifying the same. ***Failure to include a complete, signed certification will disqualify the submittal.**

3. **Offer to Negotiate Exclusively**

   a. *Form (**Attachment 9**)*: The Applicant shall complete and submit the Offer to Negotiate Exclusively. The person signing this form must have the authority to bind the entire Applicant team. ***Failure to include a complete, signed Offer to Negotiate will disqualify the submittal.**

   b. *Deposit:* The Applicant shall submit an "Offer to Negotiate Exclusively Deposit" in the amount of **One Thousand Dollars ($1,000) ("Deposit")** made payable to OCII as part of the Proposal. This payment shall be refunded to all Applicants not selected by the Commission. (It shall also be refunded in the event an Applicant selected by the Commission does not obtain Commission approval for development of the Project.) ***Failure to include a valid "Offer to Negotiate Exclusively Deposit" will disqualify the proposal.**

4. **Submission Checklist (Attachment 11)**: Complete and submit the Submission Checklist, certifying that all required items are contained in the Proposal.

5. **Developer Organizational Documents:** Submit a current copy of the following documents. NOTE: Each Developer/Co-Developer entity must submit the following**:**

   a. *Certificate of Status (good standing) from California Secretary of State*. (Please note that the Certificate must bear the official State of California seal and that web screen prints from the Secretary of State of California website are not acceptable).

   b. *Certification of 501(c)(3) status from the Internal Revenue Service* (if applicable, for any non-profit corporations).

   c. *Certification of 501(c)(3) status from the California Franchise Tax Board* (if applicable, for any non-profit corporations).

   d. *The latest two (2) years of either*:

      i. signed federal income tax returns (including schedules or attachments, if any); or

      ii. audited financial statements (with management letters, if any).

THIS IS THE END OF THE SUBMISSION REQUIREMENTS SECTION.

ALL INFORMATION REQUESTED ABOVE IN SECTION VI MUST BE SUBMITTED IN ORDER FOR A PROPOSAL TO BE DEEMED COMPLETE.

APPLICANTS SCORES MAY BE NEGATIVELY IMPACTED BY ANY INCOMPLETE INFORMATION.

SECTION VII. ADDITIONAL REQUIREMENTS

(for Recommended Applicant Only)

After the Evaluation Panel interviews and presentation to the CAC, the Applicant recommended to the Commission by the Executive Director shall then be required to submit the following additional information *prior to Commission consideration*.

DO NOT SUBMIT THESE FORMS WITH THE INITIAL PROPOSAL.

A. Nondiscrimination in Contracts & Benefits

The Applicant shall complete and submit **Attachment 12**, the Declaration of Nondiscrimination in Contracts and Benefits. OCII has established a policy prohibiting discrimination in contracting, which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. For further information, see instructions contained in **Attachment 12**.

B. Small Business Enterprise Program

The Applicant shall complete and submit **Attachment 13**, the SBE Agreement. OCII has established a goal of 50 percent SBE participation on all construction, professional services, and supply contracts. OCII requires Developers to perform extensive good faith efforts to include SBEs in the performance of any agreement resulting from this solicitation, and any subsequent agreements between Developers and contractors or consultants. If SBE participation goals are not met, compelling good faith efforts must be documented and provided to OCII.

OCII strongly encourages the selected Applicant to create joint ventures or similar partnership relationships among non-SBE consultants and contractors with San Francisco-based SBEs looking to build capacity and gain experience. In particular, the selected Applicant shall cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, the successful Applicant shall cooperate and require the general contractor to exercise good faith efforts to select subcontractors who are SBEs or, if they are not, are willing to create joint ventures or similar partnership opportunities with SBEs. In addition, the selected Architect will be expected to competitively solicit an associate architect and will work to define a scope that comprises approximately 35% of the overall design contract.

In accordance with OCII policy, the Developer shall give priority in awarding any contracts resulting from this solicitation in the following order: (1) Project Area SBEs, (2) Local SBEs (outside an OCII Project Area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). Non-local SBEs should be used to satisfy participation goals only if Project Area SBEs or Local SBEs are not available or qualified, or if their bids or fees are significantly higher than those of non-local SBEs. OCII will accept the certifications of SBEs by the Contract Monitoring Division of the City and County of San Francisco and may accept SBE certifications from other agencies if the other agencies' small business size standard is consistent with OCII's. For further information, see **Attachment 13**.

C. Construction Workforce Requirements

The Applicant shall comply with OCII's Construction Workforce Requirements to ensure that all contractors/subcontractors demonstrate good faith efforts to meet workforce hiring goals. OCII has established a workforce hiring goal of 50 percent for San Francisco residents.

D. Minimum Compensation Policy

The Applicant (including, as defined herein as the Developer, Co-Developer, Property Manager, Architect, and Services Provider) shall complete and submit **Attachment 14**, OCII's Minimum Compensation Policy ("MCP") Declaration. The MCP requires the payment of a minimum level of compensation to employees for all consultants working on OCII funded projects.

E. Health Care Accountability Policy

The Applicant shall complete and submit **Attachment 15**, HCAP Declaration. The HCAP requires that contractors offer certain health plan benefits to their employees or participate in a health benefits program developed by the City's Department of Public Health or make a payment in lieu of such benefits to the City's Department of Public Health.

F. Prevailing Wages

The successful Developer's General Contractor, including all members of any joint venture with SBEs and their subcontractors, shall comply with OCII's Prevailing Wage Policy, which includes payment of the State of California's prevailing wages.

G. Insurance & Indemnification

Beginning at the time of selection and throughout the course of development of the Projects, the selected Applicant must procure and maintain insurance in accordance with OCII's policy, as the policy may be amended from time to time. Current insurance requirements are provided for reference as **Attachment 21.**

From the time of selection, the selected Applicant shall, defend, hold harmless and indemnify OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising out of or connected with the performance of OCII contract and any of the contractor's operations or activities related thereto, excluding the willful misconduct or the gross negligence of the person or entity seeking to be defended, indemnified or held harmless.

SECTION VIII. OCII PAYMENTS & FEES

Applicants are responsible for the following deposits, as well as any fees in connection with the required deposits:

A. Offer Deposit

An Offer to Negotiate Exclusively Deposit in the amount of One Thousand Dollars ($1,000.00) made payable to the Office of Community Investment and Infrastructure is due at the time of Proposal submission. Please include a copy of the check in the electronic submittal and the actual check along with the hard copy submittal.

B. Performance Deposit (Selected Applicant Only)

If the Commission approves entering into a development contract with the Applicant, then the Applicant shall deposit with OCII an additional Nine Thousand Dollars $9,000.00 ("Additional Deposit"). The Additional Deposit shall be combined with the Deposit to form the performance deposit ("Performance Deposit"). The Performance Deposit shall be held by OCII until completion of the development.

SECTION IX. ADDITIONAL TERMS & CONDITIONS

A. Selected Applicant's Team's Responsibility

The selected Applicant will be solely responsible for construction of all improvements according to OCII-approved construction documents, and in accordance with applicable City building codes. This includes, but is not limited to, all on-site improvements and any changes from existing conditions, including underground utilities, traffic signals, street lighting, curbs, gutters, street trees and sidewalks. The selected Applicant will be solely responsible for all transactional costs and closing requirements, including, but not limited to, title insurance, escrow fees, parcel maps, etc. In addition, the selected Applicant will be responsible for payment of all applicable City fees and relevant transactional costs, including but not limited to: building permit fees, utility relocation and connection fees, subdivision fees, transfer taxes, and transit fees.

B. Applicant's Duty of Loyalty

Applicant for itself and its Contractors agree to abide by OCII's duty of loyalty, which appears in OCII's Personnel Policy (Prohibited Activities of Present and Former Employees, Commissioners and Consultants) and which states in part the following: "Unless approved in advance in writing by OCII, no present or former employee, Commissioner or consultant of OCII shall knowingly act for anyone other than OCII in connection with any particular matter in which OCII is a party, or has a direct and substantial interest, and in which he or she participated personally and substantially as an OCII employee, Commissioner or consultant whether through decisions, recommendations, advice, investigation or otherwise. Violation of this section by a present employee, consultant or Commissioner may, in the case of an employee or consultant, be grounds for discharge or termination of the consultant contract, and in the case of a Commissioner, be considered misconduct in office pursuant to [applicable law]."

C. OCII Non-Responsibility

OCII has no obligation to demolish any improvements on the Site, remove, relocate or install utilities, complete on-site or off-site preparation work or improvements, or make any changes whatsoever to existing conditions.

D. Geotechnical Investigations

All geotechnical investigation must be conducted by a licensed geotechnical engineer, retained by the Applicant, to investigate and supervise excavation and recompaction efforts as necessary, which investigations may only occur upon the issuance of a permit to enter the Site.

E. Environmental Review Approvals

The selected Developers will be responsible for securing all environmental review approvals necessary to move forward with the development of the Site. These reviews may include the requirements of CEQA, NEPA and/or Section 106 of the National Historic Preservation Act, as applicable.

F. Accessibility Requirements

The selected Developers will be responsible for meeting all applicable accessibility standards related to publicly funded multifamily housing development under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988, and Title 24 of the California Code of Regulations. If the Project relies on tax credit or other sources of funding, additional accessibility requirements may apply. OCII requires an architect's certification at the completion of project design and construction that the improvements built are in accordance with all local, state and federal laws and regulations with respect to access for persons with disabilities.

G. Applicant Expenses

1. The Applicant responding to this RFP does so at its own expense. OCII will not consider any costs related to preparing the proposal or negotiating the development contract as reimbursable. The foregoing notwithstanding, OCII will reimburse the cost for architectural massing drawings required by this RFP as set forth in Section IX.G.2 below.

2. OCII is requiring the submittal of an architectural massing concept as part of this RFP. In order to mitigate some of these costs to the Developers submitting proposals, OCII will reimburse those Developers whose principal office is located in San Francisco and whose proposal, in the sole discretion of OCII, has met each of the minimum qualifications described in Section VI Submission Requirements of this RFP. The total aggregate payment for architectural reimbursables by OCII shall not exceed $50,000 and payments to Applicants who submit complete proposals shall be prorated accordingly, in an amount not to exceed

$5,000 per Applicant. Qualifying Developers seeking architectural reimbursement payments must submit invoices from their architects.

H. OCII Right to Modify or Suspend RFP

OCII, through its Executive Director, reserves the right at any time, in its sole and absolute discretion, to modify or suspend any and all aspects of the selection process, including, but not limited to, this RFP and all or any portion of the contractor selection process in or subsequent to the RFP; to obtain further information from any Applicant member, to waive any defects as to form or content of the RFP or any other step in the selection process; to reject any and all responses submitted; to reissue the RFP; procure the desired services by any other means or not proceed in procuring the services; to negotiate with any, all, or none of the respondents to this RFP as to fees, scope of services, or any other aspect of the RFP or services; to negotiate and modify any and all terms of an agreement; and to accept or reject any Applicant.

I. Claims Against OCII

Each Applicant member, by responding to this RFP, waives any claim, liability or expense whatsoever against OCII and its respective officers, commissioners, employees and agents by reason of any or all of the following: any aspect of this RFP, the selection process or any part thereof, any informalities or defects in the selection process, the failure to enter into any agreement, any statements, representations, acts or omissions of OCII, the exercise of any discretion set forth or concerning any of the foregoing, and any other matters arising out of all or any of the foregoing.

SECTION X. ATTACHMENTS

To be submitted with Submission Package:

Attachment 1:	Applicant Description Form
Attachment 2	Staffing Workload Form
Attachment 3	Comparable Projects Experience Form
Attachment 4	San Francisco Projects Experience Form
Attachment 5	Property Manager Experience Form
Attachment 6	Services Provider Experience Form
Attachment 7:	Disclosure Questions
Attachment 8:	Statement of Compliance with OCII Policies & Certification of Applicant
Attachment 9:	Offer to Negotiate Exclusively
Attachment 10:	MOHCD/OCII Proforma (Sources and Uses, Operating Budget and 20 Year Cash Flow)
Attachment 11:	Submission Checklist

To be completed by recommended Developers only after evaluation and interviews*:*

Attachment 12:	Declaration of Nondiscrimination in Contracts and Benefits
Attachment 13:	Small Business Enterprise Agreement
Attachment 14:	Minimum Compensation Policy Declaration
Attachment 15:	HCAP Declaration
Attachment 16:	Prevailing Wage
Attachment 17:	Permanent Workforce
Attachment 18:	Construction Workforce

For informational purposes only:

Attachment 19:	Area Median Income and Rent Levels for 2024
Attachment 20:	Property Owner and Occupancy Preference Program (Certificate of Preference Program)
Attachment 21:	OCII Insurance Requirements
Attachment 22:	Block 4W and 4E Site Plan and Market-Rate Tower Extrusion
Attachment 23:	Tehama Street Improvement Illustration (for reference only)
Attachment 24:	Beale Street Illustration (for reference only)
Attachment 25:	Tentative Transfer Map (Survey)

Attachment 1: Applicant Description

A. Lead Developer Entity Information

Name of Developer	
Type of Organization (*i.e.* 501(c)(3), corporation, LLC, etc.)	
Percentage Ownership of Proposed Project	

B. Co-Developer Entity Information

Name of Co-Developer	
Type of Organization (*i.e.* 501(c)(3), corporation, LLC, etc.)	
Percentage Ownership of Proposed Project	

C. Key Personnel of Developer and Co-Developer *(repeat this section as necessary for all Key Personnel of Developer and Co-Developer; indicate which Developer each person is employed by);* ***please place a * next to the name of the Lead Contact Person for the Developer****)*

Name	
Title and Developer entity name	
Role on Proposed Project	
Address	
Phone	
Fax	
Email	

D. Architect Information

Name of Architect Firm	
Name of Contact Person	
Address	
Phone	
Fax	
Email	

E. Other Personnel *(repeat this section as necessary for all Other Personnel of the Applicant, i.e. Services Provider, Property Manager, consultants, etc., who will* ***NOT*** *have any ownership interest in the proposed project)*

Name	
Title	
Role on Proposed Project	
Address	
Phone	
Fax	
Email	

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. The completed form must be submitted as a hard copy along with all other qualifications materials as outlined in the RFP.

Attachment #2: Staffing Workload Form

Staff Name/Position Title	**Total FTE %**	**% FTE By Task**						
		Projects (1) (2)					***Other***	
		______	______	______	______	______	Adminstration	Miscellaneous
	100%							
	100%							
	100%							
	100%							
	100%							
	100%							
	100%							

(1) List all development projects, including the subject site, (existing or contemplated) that each person is expected to spend time on (from predev start date to start of construction)

(2) Attach additional sheets if necessary

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. However, the completed form must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment 3: Comparable Project Experience

Please complete this chart to describe Developer's experience in projects that are *comparable* to the proposed project, as defined in the RFP. Each Developer may submit up to two (2) comparable projects completed within the past ten (10) years.

Developer Name: ____

	PROJECT #____
Project Name and Address	
Developer Name (if different than above)	
Developer Role (*i.e.* managing partner, limited partner, consultant, etc.)	
Current Project Status (predev, in construction, complete)	
Total Number of Residential Units	
Unit Mix (*i.e.* # of studios, 1-bdrms, etc.)	
Total Residential Square Footage	
Total Square Footage of Commercial Area and Use, if any	
Population Served (including average affordability level)	
Green Building Features, if any	
Construction Type (and indicate material, *i.e.* wood, steel, etc.)	
Construction Start Date	
Construction Completion Date (actual or estimated)	
Total Development Cost	
Financing Sources & Contact Info (list entity, contact names and phone numbers for each source)	
Government Affordable Housing Program, if any (provide program name, agency, contact names/phone)	
Budget/Schedule Variance (describe any variance from budget and schedule approved at construction start; explain amount, length of time, reasons and source of funds to cover additional costs)	

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. The completed form must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment 4: San Francisco Project Experience

Please complete this chart to describe Developer's experience in projects that are *within San Francisco only*. The Developer does not need to include any projects already listed under the Comparable Projects section.

Developer Name: ____

	PROJECT #____
Project Name and Address	
Developer Name (if different than above)	
Developer Role (*i.e.* managing partner, limited partner, consultant, etc.)	
Current Project Status (predev, in construction, complete)	
Type of Project (*i.e.* family rental, senior rental, supportive housing, homeownership)	
Total Number of Residential Units	
Unit Mix (*i.e.* # of studios, 1-bdrms, etc.)	
Total Residential Square Footage	
Total Square Footage of Commercial Area and Use, if any	
Population Served (including average affordability level)	
Green Building Features, if any	
Construction Type (and indicate material, *i.e.* wood, steel, etc.)	
Construction Start Date	
Construction Completion Date (actual or estimated)	
Total Development Cost	
Financing Sources & Contact Info (list entity, contact names and phone numbers for each source)	
Government Affordable Housing Program Involvement (briefly describe)	
Budget/Schedule Variance (describe any variance from budget and schedule approved at construction start; explain amount, length of time, reasons and source of funds to cover additional costs)	

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. The completed form however must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment 5: Property Management Experience

Please complete this chart to describe all comparable projects currently managed, preferably in San Francisco.

Property Manager Name: ____________________________________

Project Name and Address	**Owner's Name**	**Project Type** (*i.e.* family rental, senior rental, ownership)	**Total # of Residential Units and Unit Mix** (*i.e.* # of studios, 1-bdrms, etc.)	**Population Served** (incl. avg. affordability level)	**Building Type** (*i.e.* townhouses over flats, high-rise, etc.)	**Government Program**, if any (incl. program, agency, contact name and phone number)	**Dates Managed** (if contract was terminated by owner, describe circumstances)

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. The completed form must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment 6: Services Provider Experience

Please complete this chart to describe all comparable projects in which services are being provided by the Services Provider, preferably in San Francisco.

Services Provider Name: ________________________________

Project Name and Address	**Owner's Name**	**Total # of Residential Units and Unit Mix** (*i.e.* # of studios, 1-bdrms, etc.)	**Population Served** (incl. avg. affordability level)	**List of Services Provided** (indicate if provided on-site or off-site)	**Staffing Level** (# of staff, title/role, and % FTE)	**Funding Source** (amount and type, *i.e.* operating budget, HSA/HSH contract, etc.)	**Dates Services Provided** (if no longer providing services, explain reason)

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. The completed form must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment 7: Disclosure Questions

Instructions: Please respond completely to each question listed below using the space provided. Use a separate sheet of paper, if necessary. Please state "No" or "None" when appropriate. Do not leave a question blank or state "N/A". If the Applicant[1] is an individual, then the information relative to that individual should be disclosed. If the Applicant is a group or joint venture, then information relative to each member of the group or entities that comprise the joint venture should be disclosed. If the applicant is a corporation, then the information relative to the corporation should be disclosed.

1. Has Applicant ever defaulted on a loan or other financial obligation? This includes all affiliate corporations and partnerships in which Applicant is a general partner. If so, please describe the circumstances including dates and current status.

Answer: ____

____

2. Are there any prior or pending legal proceedings, actions, convictions or judgments that have been filed against Applicant or its wholly owned subsidiaries, or any prior or pending arbitrations or mediations. If so, provide dates the complaints were filed and the present status of the litigation or the status of the arbitrations or mediations.

Answer: ____

____

3. Are there any prior or pending administrative complaint/hearing against or any debarment or suspension of or other administrative determination by any federal, state or local government entity relating to Applicant, against any of Applicant's affiliated corporations or partnerships in which applicant is a general partner, or other business entity. If so, please describe the circumstances including dates, agency or body conducting the investigation or inquiry and the current status.

Answer: ____

____

4. Has Applicant or its wholly owned subsidiaries ever filed for bankruptcy? Please include dates and jurisdiction of filing, the reason, and current status.

Answer: ____

____

[1] For the purposes of this RFP, the term "Applicant" shall mean and refer to the respondent to this RFP regardless of legal form. Thus Applicant applies to individuals, sole proprietorships, joint ventures, unincorporated associations, partnerships, LLCs, LLPs, corporations (whether for profit, nonprofit, California or out of state) and any other entity legally entitled to do business in the State of California.

5. Describe any business, property, gifts, loans, investments or other financial relationships Applicant, its individual principals, corporation, LLC, LLP or any of applicant's affiliated corporations or partnerships in which Applicant is a general partner, or other business entity, with any member of the Agency Commission or his/her immediate family which are financial interest as defined by Section 87103 of the Fair Political Practices Act.[2]

Answer: ____

____

Applicant(s) hereby certifies under penalty of perjury under the laws of the State of California that all information provided in the Disclosure Questionnaire is true and correct.

Date: ______________ Signed: ________________________________

[2] In summary Government Code Section 87100 requires any public officials participating in making decisions to refrain from using their official position to influence a governmental decision in which they know or has reason to know they have a financial interest. Section 87103 defines a financial interest as one that has a material, financial effect on the official or a member of their immediate family as follows: business interest – over $2,000; real property interest – over $2,000; other source of income within 12 months before the decision – over $500; gift or intermediary for donor of gift within 12 months - $250; business entity in which the official is a director, officer, partner, trustee, employee or holds a position of management. See Government Code Section 87103 for the complete definition.

Attachment 8: Statement of Compliance with OCII Policies & Certification of Applicant

Applicant(s) ____________________________ agree(s) to comply with all of OCII's policies, including but not limited to insurance and indemnification requirements found in this RFP.

Date: ______________ Signed: _________________________________

Applicant(s) hereby certify under penalty of perjury under the laws of the State of California that all information provided in the application is true and correct.

Date: ______________ Signed: _________________________________

Attachment 9: Offer to Negotiate Exclusively

Office of Community Investment and Infrastructure
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Attention: Thor Kaslofsky
Executive Director

Exclusive Right to Negotiate

Parcel ____________, Assessor's Block 3739, Lot 010 (partial)

Transbay Redevelopment Project Area

The undersigned developer ("Developer") hereby submits to the Office of Community Investment and Infrastructure ("OCII"), an Offer to Negotiate Exclusively ("Offer") for up to 90 days for the right to lease and develop the subject property, Parcel __________ (the "Site"), located **between Howard Street, Beale Street, the planned extension of Tehama Street, and the adjacent eastern portion of Transbay Block 4**, according to the development opportunity set forth in OCII's Request for Proposals dated **May 8, 2025**, hereinafter called the "RFP". This Offer may be extended for up to three (3) additional 90-day periods at the sole discretion of the Executive Director of OCII.

The 90-day Offer period shall begin on the date of the OCII Commission's approval of such Exclusive Negotiations, as memorialized by an OCII Resolution. During the Exclusive Negotiations period, OCII and Developer shall seek to complete a long-term **Ground Lease**, which shall set forth the terms of the Developer's program and development for the Site.

The Developer hereby delivers its Offer to Negotiate Payment (the "Payment") in the form of a certified check or cashier's check, unless otherwise waived by OCII, made payable to the Office of Community Investment and Infrastructure in the amount of **One Thousand Dollars ($1,000.00)**.

This Offer to Negotiate Exclusively is made upon the following terms and conditions:

1. The Developer understands and agrees that:

   (a) The Payment of **One Thousand Dollars ($1,000.00)** shall become non-refundable in the event that the Commission approves the Developer for Exclusive Negotiations for development of the Site. The Payment shall be refunded to the Developer if it is not selected to enter Exclusive Negotiations.

(b) The Offer to Negotiate Payment requirement may, at OCII's sole discretion, be waived for California-based nonprofit corporations with 501(c)(3) federal tax-exempt status.

2. The Developer agrees (1) that OCII shall have no liability whatsoever of any kind or character; and (2) that the Developer has no, and shall not obtain, any claim or claims against OCII or OCII Property (all as hereafter defined), directly or indirectly, by reason of all or any of the following:

(a) Any aspect of the RFP including any information or material set forth herein or referred to therein.

(b) Any modification or suspension of the RFP or any modification of the scope of the project described in the RFP, or informalities or defects therein.

(c) Any modification of or informality or defect in the selection procedure or any act or omission of OCII with respect thereto, including, but not limited to, OCII due diligence regarding any developer, including contacts and consultations with any developer as to any matter.

(d) The rejection of any Offer to Negotiate Exclusively, including this Offer to Negotiate Exclusively.

(e) The acceptance by OCII of any Offer to Negotiate Exclusively, including this Offer to Negotiate Exclusively.

(f) Entering into and thereafter engaging in Exclusive Negotiations.

(g) The termination of Exclusive Negotiations.

(h) Entering into any Ground Lease, Loan Agreement, Development and Disposition Agreement, or any other agreement relating to the RFP or as a result thereof.

(i) Any statements, representations, acts or omissions of OCII in connection with all or any of the foregoing.

(j) The exercise of any OCII discretion set forth in or with respect to any of the foregoing.

(k) If the Developer is selected for Exclusive Negotiations but the Developer is not approved by OCII for any reason, OCII shall retain the Payment as liquidated damages. The Developer agrees that **One Thousand Dollars ($1,000.00)** is a reasonable sum, considering all the circumstances existing at the date of this agreement, including the relationship of the sum to the range of harm to OCII that reasonably could be anticipated, and the anticipation that establishing proof of actual damages would be costly, difficult, and inconvenient. In placing their initials below, each party specifically confirms the accuracy of the statement made above and the fact that each party was represented by counsel who explained the consequences of this liquidated damages provision at the time this agreement was made.

OCII Initials__________ Developer Initials_______

(l) Any and all other matters arising out of or directly or indirectly connected with all or any of the foregoing.

The undersigned further, by its execution of this Offer to Negotiate Exclusively, expressly and absolutely waives any and all claims against OCII and OCII Property, directly or indirectly arising out of or in any way connected with all or any of the foregoing.

For purposes of this Section 3, the word “OCII" includes its members, officers, employees, agents, successors, and assigns; and the words "OCII Property" include property which is the subject of the RFP and all other property of OCII, real, personal or of any other kind or character. The words "claim or claims" include any and all protests, rights, remedies, interests, objections, claims, demands, actions, or causes of action of every kind or character whatsoever, in law or equity, for money or otherwise, including but not limited to claims for loss, expense or damage, claims to property, real or personal, or rights or interests therein, and claims to contract or development rights or development interests of any kind or character in any OCII property. The words "Developer" or "developers" includes any person, entity or group responding to OCII’s RFP through an executed Offer to Negotiate Exclusively.

3. The Developer understands that the nature and type of development is subject to the approval of OCII. The Developer further understands that it will be required to make full disclosure to OCII of its principal officers, stockholders, members, and all other pertinent information concerning the Developer and its associates.

4. The Developer understands that its selection of an architect and any other principal association of the undersigned Developer for the purpose of developing the Site is subject to the approval of OCII.

5. If OCII accepts its Offer to Negotiate Exclusively, the Developer understands that there shall be no change in its composition or any interest therein by transfer, assignment or otherwise, nor any interest therein or any part thereof, to any person or entity without the prior written consent of OCII after approval by the OCII Commission.

6. The Developer understands that if it is not selected to enter Exclusive Negotiations in the event of the rejection of the undersigned and/or the selection of another developer, the **One Thousand Dollar ($1,000.00)** Offer to Negotiate Payment shall be returned to the undersigned Developer, without interest.

7. The Developer understands that the OCII Commission must approve and authorize acceptance of this Offer and any extension of the up to 90-day negotiations period.

8. The Developer understands that during the period of Exclusive Negotiations it will negotiate in good faith any and all agreements between itself and OCII that the OCII requires.

9. The Developer understands that negotiations may be extended beyond the up to 90-day period by agreement of OCII and itself to enable the undersigned Developer and OCII to negotiate any and all agreements required by OCII.

10. The Developer understands that OCII will not solicit or consider any other qualifications submittals or negotiate with any other developer during the period of Exclusive Negotiations.

11. The Developer understands that if negotiations culminate in agreements with OCII, such agreements become final only after and if the agreements have been considered and approved by the OCII Commission, and, as applicable, the San Francisco Board of Supervisors after public hearings, and the agreements are thereafter duly executed.

12. The Developer understands that it, as well as its consultants, contractors, subcontractors and tenants, will be required as part of any agreement approved under Paragraph 10 above to comply with OCII's Equal Opportunity Program requirements throughout the development process, including the submission of an Equal Opportunity Program for OCII approval. The Developer understands that OCII's Contract Compliance division is available to assist in formulating an Equal Opportunity Program.

13. The Developer understands that it, as well as its contractors and subcontractors, will be required as part of any agreement approved under Paragraph 12 above to comply with OCII's Prevailing Wage Provisions (Labor Standards) throughout the development process. The Developer acknowledges that the Prevailing Wage Provisions are set forth as an attachment to the RFP and that OCII's Contract Compliance Division is available to assist in the interpretation and implementation of such provisions.

14. The Developer acknowledges that it has read the RFP and by this offer further acknowledges and accepts all of the matters set forth therein. The Developer understands that failure to include all required information required by the RFP may be grounds for rejecting this offer.

The parties hereby agree to the terms of this Offer to Negotiate Exclusively, as indicated by the signatures of their authorized representatives, below:

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCURE:

By ______________________________
Executive Director

Date ____________________________

DEVELOPER:

By: ______________________________
Title:

Date _____________________________

By: ______________________________
Title:

Date _____________________________

Attachment 10

Excel format pro forma:

- Sources and uses budgets
- Operating budgets
- Cash flow

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date:
Project Name:
Project Address:
Project Sponsor:

 # Units:
 # Bedrooms:
 # Beds:

Don't forget to fill in D135:D138!

							Total Sources	Comments
SOURCES	-	-	-	-	-	-	-	
Name of Sources:	MOHCD/OCII							
USES								
ACQUISITION								
Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
CONSTRUCTION (HARD COSTS)								
* Unit Construction/Rehab							0	Include FF&E
* Commercial Shell Construction							0	
* Demolition							0	
Environmental Remediation							0	
* Onsight Improvements/Landscaping							0	
* Offsite Improvements							0	
* Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)							0	$45MM+
Bid Contingency (remove at bid)							0	$45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	$45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
SOFT COSTS								
Architecture & Design								
Architect design fees							0	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)							0	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Engineering & Environmental Studies								
Survey							0	
Geotechnical studies							0	
Phase I & II Reports							0	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Name consultants & contract amounts
Total Engineering & Environmental Studies	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs								
Borrower Legal fees							0	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
* Other Legal (specify)							0	
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Other Development Costs								
Appraisal							0	
Market Study							0	
* Insurance							0	
* Property Taxes							0	
Accounting / Audit							0	
* Organizational Costs							0	
Entitlement / Permit Fees							0	
* Marketing / Rent-up							0	
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
* Financial Consultant fees							0	
Construction Management fees / Owner's Rep							0	
Security during Construction							0	
* Relocation							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	0	0	0	0	0	0	0	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
RESERVES								
* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
* Other (specify)							0	
* Other (specify)							0	
* Other (specify)							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones							0	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
TOTAL DEVELOPMENT COST	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Development Cost/Unit by Source								
Development Cost/Unit as % of TDC by Source								
Acquisition Cost/Unit by Source								
Construction Cost (inc Const Contingency)/Unit By Source								
Construction Cost (inc Const Contingency)/SF								
**Possible non-eligible GO Bond/COP Amount:*	*0*							
City Subsidy/Unit								

Construction line item costs as a % of hard costs

Soft Cost Contingency as % of Total Applicable Soft Costs

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

Application Date:
Total # Units: **0**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**

INCOME	Total
Residential - Tenant Rents	0
Residential - Tenant Assistance Payments (SOS Payments)	0
Residential - Tenant Assistance Payments (Other Non-LOSP)	0
Residential - LOSP Tenant Assistance Payments	0
Commercial Space	0
Residential Parking	0
Miscellaneous Rent Income	0
Supportive Services Income	
Interest Income - Project Operations	0
Laundry and Vending	0
Tenant Charges	0
Miscellaneous Residential Income	0
Other Commercial Income	0
Withdrawal from Capitalized Reserve (deposit to operating account)	
Gross Potential Income	**0**
Vacancy Loss - Residential - Tenant Rents	0
Vacancy Loss - Residential - Tenant Assistance Payments	0
Vacancy Loss - Commercial	0
EFFECTIVE GROSS INCOME	**0**

OPERATING EXPENSES

Management

Management Fee	
Asset Management Fee	
Sub-total Management Expenses	**0**

Salaries/Benefits

Office Salaries	0
Manager's Salary	0
Health Insurance and Other Benefits	
Other Salaries/Benefits	
Administrative Rent-Free Unit	
Sub-total Salaries/Benefits	**0**

Administration

Advertising and Marketing	
Office Expenses	
Office Rent	

Legal Expense - Property	
Audit Expense	
Bookkeeping/Accounting Services	
Bad Debts	
Miscellaneous	
Sub-total Administration Expenses	**0**

Utilities

Electricity	
Water	
Gas	
Sewer	
Sub-total Utilities	**0**

Taxes and Licenses

Real Estate Taxes	
Payroll Taxes	
Miscellaneous Taxes, Licenses and Permits	
Sub-total Taxes and Licenses	**0**

Insurance

Property and Liability Insurance	
Fidelity Bond Insurance	
Worker's Compensation	
Director's & Officers' Liability Insurance	
Sub-total Insurance	**0**

Maintenance & Repair

Payroll	0
Supplies	
Contracts	
Garbage and Trash Removal	
Security Payroll/Contract	0
HVAC Repairs and Maintenance	
Vehicle and Maintenance Equipment Operation and Repairs	
Miscellaneous Operating and Maintenance Expenses	
Sub-total Maintenance & Repair Expenses	**0**

Supportive Services	0
Commercial Expenses	0

TOTAL OPERATING EXPENSES	***0***

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	0
Bond Monitoring Fee	
Replacement Reserve Deposit	
Operating Reserve Deposit	
Other Required Reserve 1 Deposit	
Other Required Reserve 2 Deposit	

Required Reserve Deposit/s, Commercial	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**0**

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond **0**

NET OPERATING INCOME (INCOME minus OP EXPENSES) **0**

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	0
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Le	0
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0
Hard Debt - Fourth Lender	0
Commercial Hard Debt Service	0
TOTAL HARD DEBT SERVICE	**0**

CASH FLOW (NOI minus DEBT SERVICE) **0**

USES OF CASH FLOW BELOW (This row also shows DSCR.)
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	
Partnership Management Fee (see policy for limits)	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	
Other Payments	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	

TOTAL PAYMENTS PRECEDING MOHCD **0**

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS **0**

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**0**
Will Project Defer Developer Fee?	**TBD**
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1	100%
% of Residual Receipts available for distribution to **soft debt lenders** in	0%

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender nam*
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII L
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Va
HCD (soft debt loan) - Lender 3	
Other Soft Debt Lender - Lender 4	
Other Soft Debt Lender - Lender 5	

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due	0
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0

Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	0
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS	**0**

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	0
Lender 4 Residual Receipts Due	0
Lender 5 Residual Receipts Due	0
Total Non-MOHCD Residual Receipts Debt Service	**0**

REMAINDER (Should be zero unless there are distributions below)	**0**
Owner Distributions/Incentive Management Fee	0
Other Distributions/Uses	0
Final Balance (should be zero)	**0**

MOHCD Proforma - 20 Year Cash Flow

Total # Units: -

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			0	1	2	3	4	5	6	7	8	9
INCOME	% annual increase	Comments (related to annual inc assumptions)	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	2.5%		-	-	-	-	-	-	-	-	-	-
Residential - SOS Payments	4.0%		-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a		-									
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		-	-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-									
Gross Potential Income			-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Residential - Tenant Rents	n/a	Linked from 1st Year Op Budget or Commercial Op Budget	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	-	-	-	-	-	-	-	-	-	-
Asset Management Fee	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Sub-total Management Expenses			-	-	-	-	-	-	-	-	-	-
Salaries/Benefits												
Office Salaries	3.5%		-	-	-	-	-	-	-	-	-	-
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			-	-	-	-	-	-	-	-	-	-
Administration												
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-	-	-	-	-	-
Audit Expense	3.5%		-	-	-	-	-	-	-	-	-	-
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			-	-	-	-	-	-	-	-	-	-
Utilities												
Electricity	3.5%		-	-	-	-	-	-	-	-	-	-
Water	3.5%		-	-	-	-	-	-	-	-	-	-
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			-	-	-	-	-	-	-	-	-	-
Taxes and Licenses												
Real Estate Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Payroll Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses			-	-	-	-	-	-	-	-	-	-
Insurance												
Property and Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			-	-	-	-	-	-	-	-	-	-
Maintenance & Repair												
Payroll	3.5%		-	-	-	-	-	-	-	-	-	-
Supplies	3.5%		-	-	-	-	-	-	-	-	-	-
Contracts	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%		-	-	-	-	-	-	-	-	-	-
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			-	-	-	-	-	-	-	-	-	-
Supportive Services	3.5%		-	-	-	-	-	-	-	-	-	-
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			-	-	-	-	-	-	-	-	-	-
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			-	-	-	-	-	-	-	-	-	-
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			-	-	-	-	-	-	-	-	-	-
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			-	-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)			-	-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***										
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0.0%	per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-
Other Payments			-									
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-									
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-									
TOTAL PAYMENTS PRECEDING MOHCD			-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			-	-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?	-											
Will Project Defer Developer Fee?	***TBD***											
Residual Receipts split for all years. - Lender/Owner	*0% / 100%*											
	Dist. Soft		-	-	-	-	-	-	-	-	-	-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Debt Loans*											
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions			-	-	-	-	-	-	-	-	-	-
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-
Other Distributions/Uses			-									
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			-	-	-	-	-	-	-	-	-	-
		RR Balance/Unit										
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service		*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Total # Units: -

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 11 10 Total	Year 12 11 Total	Year 13 12 Total	Year 14 13 Total	Year 15 14 Total	Year 16 15 Total	Year 17 16 Total	Year 18 17 Total	Year 19 18 Total	Year 20 19 Total
Residential - Tenant Rents	2.5%		-	-	-	-	-	-	-	-	-	-
Residential - SOS Payments	4.0%		-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a											
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		-	-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable										
Gross Potential Income			-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Residential - Tenant Rents	n/a	Linked from 1st Year Op Budget or Commercial Op Budget	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	-	-	-	-	-	-	-	-	-	-
Asset Management Fee	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Sub-total Management Expenses			-	-	-	-	-	-	-	-	-	-
Salaries/Benefits												
Office Salaries	3.5%		-	-	-	-	-	-	-	-	-	-
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			-	-	-	-	-	-	-	-	-	-
Administration												
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-	-	-	-	-	-
Audit Expense	3.5%		-	-	-	-	-	-	-	-	-	-
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			-	-	-	-	-	-	-	-	-	-
Utilities												
Electricity	3.5%		-	-	-	-	-	-	-	-	-	-
Water	3.5%		-	-	-	-	-	-	-	-	-	-
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			-	-	-	-	-	-	-	-	-	-
Taxes and Licenses												
Real Estate Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Payroll Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses			-	-	-	-	-	-	-	-	-	-
Insurance												
Property and Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			-	-	-	-	-	-	-	-	-	-
Maintenance & Repair												
Payroll	3.5%		-	-	-	-	-	-	-	-	-	-
Supplies	3.5%		-	-	-	-	-	-	-	-	-	-
Contracts	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%		-	-	-	-	-	-	-	-	-	-
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			-	-	-	-	-	-	-	-	-	-
Supportive Services	3.5%		-	-	-	-	-	-	-	-	-	-
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			-	-	-	-	-	-	-	-	-	-
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees			iple cells.									
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			-	-	-	-	-	-	-	-	-	-
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			-	-	-	-	-	-	-	-	-	-
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			iple cells.									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			-	-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)			-	-	-	-	-	-	-	-	-	-
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***										
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			iple cells.									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0.0%	per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.										
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)												
TOTAL PAYMENTS PRECEDING MOHCD			-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			-	-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?	-											
Will Project Defer Developer Fee?	***TBD***											
Residual Receipts split for all years. - Lender/Owner	*0% / 100%*											
	Dist. Soft Debt Loans		-	-	-	-	-					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions			-	-	-	-	-	-	-	-	-	-
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-
Other Distributions/Uses												
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			-	-	-	-	-	-	-	-	-	-
		RR Balance/Unit										
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
	OR Balance as a % of Prior Yr Op Exps + Debt Service		*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Attachment 11: Submission Requirements Checklist

Section	Check off all items contained in the qualifications submittal and sign and date below. *(Please put "N/A" for any items that are not applicable to your submittal.)*	
VI. A	**DEVELOPMENT CONCEPT & FINANCING PROPOSAL**	
1	Project Description Narrative (max. 4 pages)	
2	Alternative Development Scenario: Single Building Narrative (max. 2 pages)	
3	Financing Plan Narrative (max. 3 pages)	
3.a	Sources and Uses Budgets (one each for the Senior Project, Family Project, and Tehama Improvements): Attachment 10, Tab 4b	
3.b	Operating Budget (one each for the Senior Project and Family Project): Attachment 10, Tab 6	
3.c	Cash Flow (one each for the Senior and Family Project): Attachment 10, Tab 7a	
4	Community Engagement and Marketing Plan Narrative (max. 3 pages)	
5	Workforce and Contracting Action Plan Narrative (max. 3 pages)	
6	Services Plan Narrative and Budget (max. 2 pages)	
7.a	Massing Concept Narrative (max. 3 pages)	
7.b.i	3-D Massing Diagrams (2 diagrams)	
7.b.ii	Site Plan	
7.b.iii	Sections (2 site sections)	
7.b.iv	Floor Plans (for each floor)	
VI. B	**APPLICANT DESCRIPTION**	
1	Applicant Structure and Approach Narrative (max. 2 pages)	
2	MOU	
3	Applicant Description Form: Attachment 1	
4	Résumés	
VI.C	**DEVELOPER AND CO-DEVELOPER EXPERIENCE AND CAPACITY**	
1	Developer and Co-Developer Experience Narrative (max. 2 pages)	
2	Developer and Co-Developer Workload Capacity (one for each Developer entitiy): Attachment 2	
3	Developer and Co-Developer Experience in Comparable Projects: Attachment 3	
4	Developer and Co-Developer Experience in Other San Francisco Projects: Attachment 4	
VI.D	**ARCHITECT EXPERIENCE AND CAPACITY**	
1	Architect's Experience Narrative (max. 2 pages)	
2	Architect’s Workload Capacity: Attachment 2	
3	Architect's Experience in Comparable Projects: Project Descriptions, Photos & Floorplan	
VI.E	**PROPERTY MANAGER EXPERIENCE AND CAPACITY**	
1	Property Manager's Experience Narrative (max. 2 pages)	
2	Property Management Experience in Comparable Projects: Attachment 5	
VI.F	**SERVICES PROVIDER EXPERIENCE AND CAPACITY**	
1	Service Provider's Experience Narrative (max. 2 pages)	
2	Service Provider's Experience in Comparable Projects: Attachment 6	
VI.G	**OTHER REQUIRED INFORMATION**	
1	Disclosure Questions: Attachment 7	
2	Statement of Compliance with OCII Policies: Attachment 8	
3.a	Offer to Negotiate Exclusively Form: Attachment 9	
3.b	Offer to Negotiate Exclusively Deposit	
4	Submission Checklist: Attachment 11	
5	Organizational Documents (Developer/Co-Developer)	
5.a	Certificate of good standing from California Secretary of State	
5.b	Certification of 501(c)(3) status from the Internal Revenue Services	
5.c	Certification of 501(c)(3) status from the California Franchise Tax Board	
5.d.i	Federal Tax Returns (last 2 years), ***or***	
5.d.ii	Audited Financial Statements (last 2 years)	

Applicant hereby certifies that all items checked on this form are included in the qualifications submittal.

____
Signature

____
Date

Attachment #12

OCII office of COMMUNITY INVESTMENT and INFRASTRUCTURE	**OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (OCII)** **(SUCCESSOR TO THE SAN FRANCISCO REDEVELOPMENT AGENCY)** **DECLARATION FORM** **Nondiscrimination in Contracts and Benefits**

Section A

Is your company/organization currently certified by the City and County of San Francisco in compliance with Administrative Code 12B Equal Benefits Ordinance and will your company/organization ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts? If yes, please indicate below, skip Section B, and execute the Declaration in Section C. If no, please skip Section A and complete Sections B and C.

☐ My company/organization is certified and compliant with the 12B Equal Benefits Ordinance of the City and County of San Francisco and there has been no change in our 12B Declaration since certification. My company/organization agrees to ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts. (Please check box to affirm, if applicable)

Section B

1. Nondiscrimination—Protected Classes

a. Is it your company/organization's policy that you will not discriminate against your employees, applicants for employment, employees of the Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency) (Agency), or City and County of San Francisco (City), or members of the public for the following reasons:

- Race ☐ Yes ☐ No
- color ☐ Yes ☐ No
- Creed ☐ Yes ☐ No
- Religion ☐ Yes ☐ No
- ancestry ☐ Yes ☐ No
- national origin ☐ Yes ☐ No
- Age ☐ Yes ☐ No
- sex ☐ Yes ☐ No
- sexual orientation ☐ Yes ☐ No
- gender identity ☐ Yes ☐ No
- marital status ☐ Yes ☐ No
- domestic partner status ☐ Yes ☐ No
- Disability ☐ Yes ☐ No
- AIDS or HIV status ☐ Yes ☐ No

b. Do you agree to insert a similar nondiscrimination provision in any subcontract you enter into for the performance of a substantial portion of the contract that you have with the Agency or the City?

☐ Yes ☐ No

If you answered "no" to any part of Question 1a or 1b, the Agency or the City cannot do business with you.

2. Nondiscrimination—Equal Benefits (Question 2 does not apply to subcontracts or subcontractors)

a. Do you provide, or offer access to, any benefits to employees with spouses or to spouses of employees?

☐ Yes ☐ No

b. Do you provide, or offer access to, any benefits to employees with domestic partners (Partners) or to domestic partners of employees?

☐ Yes ☐ No

If you answered "no" to both Questions 2a and 2b, skip 2c and 2d, and sign, date and return this form. If you answered "yes" to Question 2a or 2b, continue to 2c.

c. If "yes," please indicate which ones. This list is not intended to be exhaustive. Please list any other benefits you provide (even if the employer does not pay for them).

Attachment #12

Benefit	Yes, for Spouses	Yes, for Partners	No
• Medical (health, dental, vision)	❑	❑	❑
• Pension	❑	❑	❑
• Bereavement	❑	❑	❑
• Family leave	❑	❑	❑
• Parental leave	❑	❑	❑
• Employee assistance programs	❑	❑	❑
• Relocation and travel	❑	❑	❑
• Company discounts, facilities, events	❑	❑	❑
• Credit union	❑	❑	❑
• Child care	❑	❑	❑
• Other ________________________	❑	❑	❑
• Other ________________________	❑	❑	❑

d. If you answered "yes" to Question 2a or 2b, and in 2c indicated that you do not provide equal benefits, you may still comply with the Policy if you have taken all reasonable measures to end discrimination in benefits, have been unable to do so, and now provide employees with a cash equivalent.

(1) Have you taken all reasonable measures? ❑ Yes ❑ No

(2) Do you provide a cash equivalent? ❑ Yes ❑ No

3. Documentation for Nondiscrimination in Benefits (Questions 2c and 2d only)

If you answered "yes" to any part of Question 2c or Question 2d, you must attach to this form those provisions of insurance policies, personnel policies, or other documents you have which verify your compliance with Question 2c or Question 2d. Please include the policy sections that list the benefits for which you indicated "yes" in Question 2c. If documentation does not exist, attach an explanation, e.g., some of your personnel policies are unwritten. If you answered "yes" to Question 2d(1) complete and attach form SFRA/CC-103, "Nondiscrimination in Benefits—Reasonable Measures Affidavit," which is available from the Agency. You need not document your "yes" answer to Question 1a or Question 1b.

Section C

I declare (or certify) under penalty of perjury that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _________________, 20____, at _________________________________, __________.
(City) (State)

Name of Company/Organization: ____

Doing Business As (DBA): ____

Also Known As (AKA): ____

General Address: ____

Remittance Address (if different from above): ____________________________________

Name of Signatory: ______________________________ Title:____________________
(Please Print)

Signature: ____

Phone Number: ______________________ Federal Tax Identification Number: ________________________

Approximate number of employees in the U.S.:___________ Vendor Number:_____________________________
(if known)

❑ Check here if your address has changed.
❑ Check here if your organization is a non-profit.
❑ Check here if your organization is a governmental entity.

THIS FORM MUST BE RETURNED WITH THE ORIGINAL SIGNATURE

Please return this form to: Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency), One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103

Attachment #13

SMALL BUSINESS ENTERPRISE AGREEMENT

The company or entity executing this Small Business Enterprise Agreement, by and through its duly authorized representative, hereby agrees to use good faith efforts to comply with all of the following:

I. **PURPOSE.** The purpose of entering into this Small Business Enterprise Program agreement ("**SBE Program**") is to establish a set of Small Business Enterprise ("SBE") participation goals and good faith efforts designed to ensure that monies are spent in a manner which provides SBEs with an opportunity to compete for and participate in contracts by or at the behest of the Successor Agency to the San Francisco Redevelopment Agency ("**Agency**") and/or the Agency-Assisted Contractor. A genuine effort will be made to give First Consideration to Project Area SBEs and San Francisco-based SBEs before looking outside of San Francisco.

II. **APPLICATION**. The SBE Program applies to all Contractors and their subcontractors seeking work on Agency-Assisted Projects on or after November 17, 2004 and any Amendment to a Pre-existing Contract**.**

III. **GOALS.** The Agency's SBE Participation Goals are:

CONSTRUCTION	**50%**
PROFESSIONAL SERVICES	**50%**
SUPPLIERS	**50%**

IV. **TRAINEE HIRING GOAL**. In addition to the goals set forth above in Section III, there is a trainee hiring goal for all design professionals (architects, engineers, planners, and environmental consultants) on contracts or subcontracts over $100,000. The trainee hiring goal requires architects, engineers and other design professionals only to hire qualified San Francisco residents as trainees. The trainee hiring goal is based upon the total amount of the design professional's contract as follows:

Trainees	Design Professional Fees
0	$ 0 – $99,000
1	$ 100,000 – $249,999
2	$ 250,000 – $499,999
3	$ 500,000 – $999,999
4	$1,000,000 – $1,499,999
5	$1,500,000 – $1,999,999
6	$2,000,000 – $4,999,999
7	$5,000,000 – $7,999,999
8	$8,000,000 – or more

A. Procedures For Trainee Hires

1. **Compliance with the Trainee Hiring Goal**

Design professionals will be deemed in compliance with this Agreement by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. **Execution and Incorporation of this Agreement to Sub-agreements**

The Agency-Assisted Contractor shall execute this Agreement and shall incorporate by reference or attach this Agreement to its contract(s) with the architects, engineers and other design professionals. Thus, each design professional (regardless of tier) will be obligated to comply with the terms of this Agreement. The Agency-Assisted Contractor and/or the design professionals shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Contact Educational Institutions**

Each design professional shall call the City and County of San Francisco Office of Economic and Workforce Development (OEWD) or educational institution(s) and request referrals for the required trainee positions. The request will indicate generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and (5) any other information that would be helpful or necessary for the educational institution or OEWD to make the referral. The minimum duration of assignment is part-time for one semester. However, design professionals are strongly encouraged to offer longer trainee employment periods to allow a more meaningful learning experience. (For example, a half-time or full-time assignment over the summer.) Although the initial contact shall be made by phone, the educational institution(s) or OEWD may require the design professionals to send a confirming letter or complete its form(s). Each design professional is required to timely provide all of the information requested by the OEWD or educational institution(s) in order to get the referrals.

4. **Response from Educational Institutions**

Each educational institution may have a different way of referring applicants, such as: sending resumes directly to the design professional; having the applicant contact the design professional by phone; require design professionals to conduct on-campus interviews; or some other method. The timing and method of the response will normally be discussed with the design professional during the initial phone request. The design professional is required to follow the process set by the educational institution(s) in order to get the referrals.

5. **Action by Design Professionals When Referrals Available**

The design professional shall interview each applicant prior to making the decision to hire or not to hire. The design professional shall make the final determination whether the applicant is qualified for the trainee position and the ultimate hiring decision. The Agency strongly encourages the design professional to hire a qualified San Francisco resident referred by the educational institution(s). The design professional shall notify the educational institution in writing of the hiring decision.

6. **Action by Design Professionals When Referrals Unavailable**

If after contacting two or more educational institutions the design professional is informed that no San Francisco residents are currently available, then the design professional should wait thirty (30) days and contact the educational institutions a second time to inquire whether qualified San Francisco residents are currently available for hire as trainees. If no qualified San Francisco residents are currently available after the second request, then the design professional has fulfilled its obligation under this Agreement, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this Section IV and submit a copy of its file to the Agency Compliance Officer upon request.

7. **Action by Design Professional When No Response From Educational Institutions**

If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals, then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section IV, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this Agreement and submit a copy of its file to the Agency Compliance Officer upon request.

8. **Termination of Trainee for Cause**

If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Agreement and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth above.

B. Reporting Requirements For Trainee Hires

1. **Reporting**

Upon completion of the Term of the Agreement or the term of the design professional's contract with the Agency-Assisted Contractor, whichever is less, the design professional (i.e. Employer) shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the San Francisco resident(s) interviewed for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the San Francisco resident(s) interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; and (5) the number of San Francisco residents hired as trainees.

2. **Report on Terminations**

In the event a San Francisco resident hired pursuant to this Agreement is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); and (4) whether the design professional replaced the trainee(s).

V. TERM. The obligations of the Agency-Assisted Contractor and/or Contractor(s) with respect to SBE Program shall remain in effect until completion of all work to be performed by the Agency-Assisted Contractor in connection with the original construction of the site and any tenant improvements on the site performed by or at the behest of the Agency-Assisted Contractor unless another term is specified in the Agency-Assisted Contract or Contract.

VI. FIRST CONSIDERATION. First consideration will be given by the Agency or Agency-Assisted Contractor in awarding contracts in the following order: (1) Project Area SBEs, (2) San Francisco-based SBEs (outside an Agency Project or Survey Area, but within San Francisco), and (3) Non-San Francisco-based SBEs. Non-San Francisco-based SBEs should be used to satisfy participation goals only if Project Area SBEs or San Francisco-based SBEs are not available, qualified, or if their bids or fees are significantly higher than those of non-San Francisco-based SBEs.

VII. ASSOCIATIONS AND JOINT VENTURES (JV). OCII will recognize JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in the JV or Association agreement, and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. Due to the technical nature of the disciplines and the various standards of each industry, OCII will not require a standardized agreement. However, each JV and Association agreement must be in writing and contain, at a minimum, the following terms:

- Define the management of the agreement between the parties;
- Define the technical and managerial responsibilities of each party;
- Define the scope of work to be performed by each party, and where possible identify the percentage and break-down of scope of work for each party;
- Identify any additional subcontractors or consultants that will perform the work under the agreement;
- Define the schedule, duration, and deliverable of the agreement;
- Detail the fee schedule, fee breakdown, or division of compensation;
- Specify insurance requirements and/or if each party shall maintain its own insurance;
- Specify how additional work or changes in scope shall be negotiated or determined and which party shall be responsible for notifying OCII of the changes;
- Specify how claims and disputes will be resolved.

A copy of the JV or Association agreement must be provided to OCII for approval in order for the JV or Association to be recognized.

VIII. CERTIFICATION. The Agency no longer certifies SBEs but instead relies on the information provided in other public entities' business certifications to establish eligibility for the Agency's program. Only businesses certified by the Agency as SBEs whose certification has not expired and economically disadvantaged businesses that meet the Agency's SBE Certification Criteria will be counted toward meeting the participation goals. The SBE Certification Criteria are set forth in the SBE Policy.

IX. INCORPORATION. Each contract between the Agency, Agency-Assisted Contractor or Contractor on the one hand, and any subcontractor on the other hand, shall physically incorporate as an attachment or exhibit and make binding on the parties to that contract, a true and correct copy of this SBE Agreement.

X. DEFINITIONS. Capitalized terms not otherwise specifically defined in this SBE Agreement have the meaning set forth in the Agency's SBE Policy adopted on November 16, 2004 and amended on July 21, 2009 ("**Policy**") or as defined in the Agency-Assisted Contract or Contract. In the event of a conflict in the meaning of a defined term, the SBE Policy shall govern over the Agency-Assisted Contract or Contract which in turn shall govern over this SBE Agreement.

Affiliates means an affiliation with another business concern is based on the power to control, whether exercised or not. Such factors as common ownership, common management and identity of interest (often found in members of the same family), among others, are indicators of affiliation. Power to control exists when a party or parties have 50 percent or more ownership. It may also exist with considerably less than 50 percent ownership by contractual arrangement or when one or more parties own a large share compared to other parties. Affiliated business concerns need not be in the same line of business.

<u>Agency-Assisted Contract</u> means, as applicable, the Development and Disposition Agreement ("**DDA**"), Land Disposition Agreement ("**LDA**"), Lease, Loan and Grant Agreements, and other similar contracts, and agreement that the Agency executed with for-profit or non-profit entities.

<u>Agency-Assisted Contractor</u> means any person(s), firm, partnership, corporation, or combination thereof, who is negotiating or has executed an Agency-Assisted Contract.

<u>Agency Contract</u> means personal services contracts, purchase requisitions, and other similar contracts and operations agreements that the Agency executes with for-profit or non-profit entities.

<u>Amendment to a Pre-existing Contract</u> means a material change to the terms of any contract, the term of which has not expired on or before the date that this Small Business Enterprise Policy ("SBE Policy") takes effect, but shall not include amendments to decrease the scope of work or decrease the amount to be paid under a contract.

<u>Annual Receipts</u> means "total income" (or in the case of a sole proprietorship, "gross income") plus "cost of goods sold" as these terms are defined and reported on Internal Revenue Service tax return forms. The term does not include net capital gains or losses; taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. For size determination purposes, the only exclusions from receipts are those specifically provided for in this paragraph. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, and employee-based costs such as payroll taxes, may not be excluded from receipts. Receipts are averaged over a concern's latest three (3) completed fiscal years to determine its average annual receipts. If a concern has not been in business for three (3) years, the average weekly revenue for the number of weeks the concern has been in business is multiplied by 52 to determine its average annual receipts.

<u>Arbitration Party</u> means all persons and entities who attend the arbitration hearing pursuant to Section XIII, as well as those persons and entities who are subject to a default award provided that all of the requirements in Section XIII.L. have been met.

<u>Association</u> means an agreement between two parties established for the purpose of completing a specific task or project. The associate agreement shall provide the SBE associate a significant project management role and the SBE associate shall be recognized in marketing and collateral material. The Association shall be distinguished from traditional subcontracting arrangements via a written Association agreement that defines the management of the agreement, technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force. Unlike the more formal Joint Venture, an Association does not require formation of a new business enterprise between the parties. The Associate agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

<u>Commercially Useful Function</u> means that the business is directly responsible for providing the materials, equipment, supplies or services in the City and County of San Francisco ("City") as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary employment services are required and sought by the Agency.

Contract means any agreement between the Agency and a person(s), firm, partnership, corporation, or combination thereof, to provide or procure labor, supplies or services to, for, or on behalf of the Agency.

Contractor means any person(s), firm, partnership, corporation, or combination thereof, who is negotiating or has executed a Contract.

Joint Venture means an entity established between two parties for the purposes of completing a venture or project. The Joint Venture agreement typically creates a separate business entity and requires acquisition of additional insurance for the newly created joint business entity. The Joint Venture agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

Non-San Francisco-based Small Business Enterprise means a SBE that has fixed offices located outside the geographical boundaries of the City.

Office" or "Offices means a fixed and established place(s) where work is performed of a clerical, administrative, professional or production nature directly pertinent to the business being certified. A temporary location or movable property or one that was established to oversee a project such as a construction project office does not qualify as an "office" under this SBE Policy. Work space provided in exchange for services (in lieu of monetary rent) does not constitute an "office." The office is not required to be the headquarters for the business but it must be capable of providing all the services to operate the business for which SBE certification is sought. An arrangement for the right to use office space on an "as needed" basis where there is no office exclusively reserved for the business does not qualify as an office. The prospective SBE must submit a rental agreement for the office space, rent receipt or cancelled checks for rent payments. If the office space is owned by the prospective SBE, the business must submit property tax or a deed documenting ownership of the office.

Project Area Small Business Enterprise means a business that meets the above-definition of Small Business Enterprise and that: (a) has fixed offices located within the geographical boundaries of a Redevelopment Project or Survey Area where a commercially useful function is performed; (b) is listed in the Permits and License Tax Paid File with a Project Area or Survey Area business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in a Project Area or Survey Area for at least six months preceding its application for certification as a SBE; and (e) has a Project Area or Survey Area office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a SBE. Post office box numbers of residential addresses alone shall not suffice to establish a firms' location in a Project Area or Survey Area.

Project Area means an area of San Francisco that meets the requirements under Community Redevelopment Law, Health and Safety Code Section 33320.1. These areas currently include the Bayview Industrial Triangle, Bayview Hunters Point (Area B), Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, and Transbay.

San Francisco-based Small Business Enterprise means a SBE that: (a) has fixed offices located within the geographical boundaries of the City where a commercially useful function is performed; (b) is listed in the Permits and License Tax Paid File with a San Francisco business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in the City for at least six months preceding its application for certification as a SBE; and (e) has a San Francisco office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a

SBE. Post office box numbers or residential addresses alone shall not suffice to establish a firm's status as local.

<u>Small Business Enterprise (SBE)</u> means an economically disadvantaged business that: is an independent and continuing business for profit; performs a commercially useful function; is owned and controlled by persons residing in the United States or its territories; has average gross annual receipts in the three years immediately preceding its application for certification as a SBE that do not exceed the following limits:

Industry	OCII SBE Size Standard
Construction Contractors	$20,000,000
Specialty Construction Contractors	$14,000,000
Suppliers (goods/materials/ equipment and general services)	$10,000,000
Professional Services	$2,500,000
Trucking	$3,500,000

In addition, an economically disadvantaged business shall meet the other certification criteria described in Exhibit I of the SBE Policy in order to be considered an SBE by the Agency.

In order to determine whether or not a firm meets the above economic size definitions, the Agency will use the firm's three most recent business tax returns (i.e., 1040 with Schedule C for Sole Proprietorships, 1065s with K-1s for Partnerships, and 1120s for Corporations) to calculate the firm's three year average annual gross receipts. In addition, the calculation of a firm's size shall include the receipts of all affiliates.

Once a business reaches the 3-year average size threshold for the applicable industry the business ceases to be economically disadvantaged, it is not an eligible SBE and it will not be counted towards meeting SBE contracting requirements (or goals).

<u>Specialty Construction Contractor</u> means a contractor licensed by the Contractors State License Board under the "C" classification license pursuant to California Business and Professions Code Section 7058.

<u>Survey Area</u> means an area of San Francisco that meets the requirements of the Community Redevelopment Law, Health and Safety Code Section 33310. These areas currently include the Bayview Hunters Point Redevelopment Survey Area C.

XI. <u>GOOD FAITH EFFORTS TO MEET SBE GOALS</u> Compliance with the following steps will be the basis for determining if the Agency-Assisted Contractor and/or Consultant has made good faith efforts to meet the goals for SBEs:

A. <u>Outreach</u>. Not less than 30 days prior to the opening of bids or the selection of contractors, the Agency-Assisted Contractor or Contractor shall:

1. **<u>Advertise</u>**. Advertise for SBEs interested in competing for the contract, in general circulation media, trade association publications, including timely use of the ***Bid and Contract Opportunities*** newsletter published by the City and County of San Francisco Purchasing Department and

media focused specifically on SBE businesses such as the ***Small Business Exchange***, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.

2. **Request List of SBEs**. Request from the Agency's Contract Compliance Department a list of all known SBEs in the pertinent field(s), particularly those in the Project and Survey Areas and provide written notice to all of them of the opportunity to bid for contracts and to attend a pre-bid or pre-solicitation meeting to learn about contracting opportunities.

B. Pre-Solicitation Meeting. For construction contracts estimated to cost $5,000 or more, hold a pre-bid meeting for all interested contractors not less than 15 days prior to the opening of bids or the selection of contractors for the purpose answering questions about the selection process and the specifications and requirements. Representatives of the Contract Compliance Department will also participate.

C. Follow-up. Follow up initial solicitations of interest by contacting the SBEs to determine with certainty whether the enterprises are interested in performing specific items involved in work.

D. Subdivide Work. Divide, to the greatest extent feasible, the contract work into small units to facilitate SBE participation, including, where feasible, offering items of the contract work which the Contractor would normally perform itself.

E. Provide Timely and Complete Information. The Agency-Assisted Contractor or Contractor shall provide SBEs with complete, adequate and ongoing information about the plans, specifications and requirements of construction work, service work and material supply work. This paragraph does not require the Agency-Assisted Contractor or Contractor to give SBEs any information not provided to other contractors. This paragraph does require the Agency Assisted Contractor and Contractor to answer carefully and completely all reasonable questions asked by SBEs and to undertake every good faith effort to ensure that SBEs understand the nature and the scope of the work.

F. Good Faith Negotiations. Negotiate with SBEs in good faith and demonstrate that SBEs were not rejected as unqualified without sound reasons based on a thorough investigation of their capacities.

G. Bid Shopping Prohibited. Prohibit the shopping of the bids. Where the Agency-Assisted Contractor or Contractor learns that bid shopping has occurred, it shall treat such bid shopping as a material breach of contract.

H. Other Assistance. Assist SBEs in their efforts to obtain bonds, lines of credit and insurance. (Note that the Agency has a Surety Bond Program that may assist SBEs in obtaining necessary bonding.) The Agency-Assisted Contractor or Contractor(s) shall require no more stringent bond or insurance standards of SBEs than required of other business enterprises.

I. Delivery Scheduling. Establish delivery schedules which encourage participation of SBEs.

J. Utilize SBEs as Lower Tier Subcontractors. The Agency-Assisted Contractor and its Contractor(s) shall encourage and assist higher tier subcontractors in undertaking good faith efforts to utilize SBEs as lower tier subcontractors.

K. Maximize Outreach Resources. Use the services of SBE associations, federal, state and local SBE assistance offices and other organizations that provide assistance in the recruitment and placement of SBEs, including the Small Business Administration and the Business Development Agency of the Department of Commerce. However, only SBEs certified by the Agency shall count towards meeting the participation goal.

L. **Replacement of SBE.** If during the term of this SBE Agreement, it becomes necessary to replace any subcontractor or supplier, the Agency's Contract Compliance Specialist should be notified prior to replacement due to the failure or inability of the subcontractor or supplier to perform the required services or timely delivery the required supplies, then First Consideration should be given to a certified SBE, if available, as a replacement.

XII. ADDITIONAL PROVISIONS

A. **No Retaliation.** No employee shall be discharged or in any other manner discriminated against by the Agency-Assisted Contractor or Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Agreement.

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

C. **Compliance with Prompt Payment Statute.** Construction contracts and subcontracts awarded for $5,000 or more shall contain the following provision:

> "Amounts for work performed by a subcontractor shall be paid within seven (7) days of receipt of funds by the contractor, pursuant to California Business and Professions Code Section 7108.5 *et seq*. Failure to include this provision in a subcontractor or failure to comply with this provision shall constitute an event of default which would permit the Agency to exercise any and all remedies available to it under contract, at law or in equity."

In addition to and not in contradiction to the Prompt Payment Statute (California Business and Professions Code Section 7108.5 *et seq*.), if a dispute arises which would allow a Contractor to withhold payment to a subcontractor due to a dispute, the Contractor shall only withhold that amount which directly relates to the dispute and shall promptly pay the remaining undisputed amount, if any.

D. **Submission of Electronic Certified Payrolls**. For any Agency-Assisted Contract which requires the submission of certified payroll reports, the requirements of Section VII of the Agency's Small Business Enterprise Policy shall apply. Please see the Small Business Enterprise Policy for more details.

XIII. PROCEDURES

A. **Notice to Agency**. The Agency-Assisted Contractor or Contractor(s) shall provide the Agency with the following information within 10 days of awarding a contract or selecting subconsultant:

1. the nature of the contract, e.g. type and scope of work to be performed;
2. the dollar amount of the contract;
3. the name, address, license number, gender and ethnicity of the person to whom the contract was awarded; And
4. SBE status of each subcontractor or subconsultant.

B. **Affidavit**. If the Agency-Assisted Contractor or Contractor(s) contend that the contract has been awarded to a SBE, the Agency-Assisted Contractor or Contractor(s) shall, at the same time also submit to the Agency a SBE Application for Certification and its accompanying Affidavit completed by the SBE owner. However, a SBE that was previously certified by the Agency shall submit only the short SBE Eligibility Statement.

C. **Good Faith Documentation**. If the 50% SBE Participation Goals are not met in each category (Construction, Professional Services and Suppliers), the Agency-Assisted Contractor or Contractor(s) shall meet and confer with the Agency at a date and time set by the Agency. If the issue of the Agency-Assisted Contractor's or Contractor's good faith efforts is not resolved at this meeting, the Agency-Assisted Contractor or Contractor shall submit to the Agency within five (5) days, a declaration under penalty of perjury containing the following documentation with respect to the good faith efforts ("**Submission**"):

1. A report showing the responses, rejections, proposals and bids (including the amount of the bid) received from SBEs, including the date each response, proposal or bid was received. This report shall indicate the action taken by the Agency-Assisted Contractor or Contractor(s) in response to each proposal or bid received from SBEs, including the reasons(s) for any rejections.

2. A report showing the date that the bid was received, the amount bid by and the amount to be paid (if different) to the non-SBE contractor that was selected. If the non-SBE contractor who was selected submitted more than one bid, the amount of each bid and the date that each bid was received shall be shown in the report. If the bidder asserts that there were reasons other than the respective amounts bid for not awarding the contract to an SBE, the report shall also contain an explanation of these reasons.

3. Documentation of advertising for and contacts with SBEs, contractor associations or development centers, or any other agency which disseminates bid and contract information to small business enterprises.

4. Copies of initial and follow-up correspondence with SBEs, contractor associations and other agencies, which assist SBEs.

5. A description of the assistance provided SBE firms relative to obtaining and explaining plans, specifications and contract requirements.

6. A description of the assistance provided to SBEs with respect to bonding, lines of credit, etc.

7. A description of efforts to negotiate or a statement of the reasons for not negotiating with SBEs.

8. A description of any divisions of work undertaken to facilitate SBE participation.

9. Documentation of efforts undertaken to encourage subcontractors to obtain small business enterprise participation at a lower tier.

10. A report which shows for each private project and each public project (without a SBE program) undertaken by the bidder in the preceding 12 months, the total dollar amount of the contract and the percentage of the contract dollars awarded to SBEs and the percentage of contract dollars awarded to non-SBEs.

11. Documentation of any other efforts undertaken to encourage participation by small business enterprises.

D. **Presumption of Good Faith Efforts**. If the Agency-Assisted Contractor or Contractor(s) achieves the Participation Goals, it will not be required to submit Good Faith Effort documentation.

E. **Waiver**. Any of the SBE requirements may be waived if the Agency determines that a specific requirement is not relevant to the particular situation at issue, that SBEs were not available, or that SBEs were charging an unreasonable price.

F. **SBE Determination**. The Agency shall exercise its reasonable judgment in determining whether a business, whose name is submitted by the Agency-Assisted Contractor or Contractor(s) as a SBE, is owned and controlled by a SBE. A firm's appearance in any of the Agency's current directories will be considered by the Agency as prima facie evidence that the firm is a SBE. Where the Agency-Assisted Contractor or Contractor(s) makes a submission the Agency shall make a determination, as to whether or not a business which the Agency-Assisted Contractor or Contractor(s) claims is a SBE is in fact owned and controlled by San Francisco-based SBEs. If the Agency determines that the business is not a SBE, the Agency shall give the Agency-Assisted Contractor or Contractor a Notice of Non-Qualification and provide the Agency-Assisted Contractor or Contractor with a reasonable period (not to exceed 20 days) in which to meet with the Agency and if necessary make a Submission, concerning its good faith efforts. If the Agency-Assisted Contractor or Contractor disagrees with the Agency's Notice of Non-Qualification, the Agency-Assisted Contractor or Contractor may request arbitration pursuant to Section XIII.

G. **Agency Investigation**. Where the Agency-Assisted Contractor or Contractor makes a Submission and, as a result, the Agency has cause to believe that the Agency-Assisted Contractor or Contractor has failed to undertake good faith efforts, the Agency shall conduct an investigation, and after affording the Agency-Assisted Contractor or Contractor notice and an opportunity to be heard, shall recommend such remedies and sanctions as it deems necessary to correct any alleged violation(s). The Agency shall give the Agency-Assisted Contractor or Contractor a written Notice of Non-Compliance setting forth its findings and recommendations. If the Agency-Assisted Contractor or Contractor disagrees with the findings and recommendations of the Agency as set forth in the Notice of Non-Compliance, the Agency-Assisted Contractor or Contractor may request arbitration pursuant to this SBE Agreement.

XIV. <u>ARBITRATION OF DISPUTES</u>.

A. **<u>Arbitration by AAA</u>**. Any dispute regarding this SBE Agreement shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. The arbitration shall take place in the City and County of San Francisco.

B. **<u>Demand for Arbitration</u>**. Where the Agency-Assisted Contractor or Contractor disagrees with the Agency's Notice of Non-Qualification or Notice of Non-Compliance, **the Agency-Assisted Contractor or Contractor shall have seven (7) business days, in which to file a Demand for Arbitration,** unless otherwise stipulated by the parties. The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying any entities believed to be involved in the dispute; (2) a copy of the Notice of Non-Qualification or Notice of Non-Compliance; and (3) any written response to the Notice of Non-Qualification or Notice of Non-Compliance. If the Agency-Assisted Contractor and Contractor fail to file a timely Demand for Arbitration, the Agency-Assisted Contractor and Contractor shall be deemed to have accepted and to be bound by the finding of Non-Qualification or the findings and recommendations contained in the Notice of Non-Compliance.

C. **<u>Parties' Participation</u>**. The Agency and all persons or entities who have a contractual relationship affected by the dispute shall be made an Arbitration Party. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such person or entity as an Arbitration Party, <u>provided</u> <u>however</u>, that the Agency-Assisted Contractor or Contractor made an initial timely Demand for Arbitration pursuant to Section XIII.B. above.

D. **<u>Agency Request to AAA</u>**. Within seven (7) business days after service of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration, the Notice of Non-Qualification or Notice of Non-Compliance, and any written response thereto from the affected party. Such material shall be made part of the arbitration record.

E. **<u>Selection of Arbitrator</u>**. One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within ninety (90) days from the arbitrator's fulfillment of the disclosure requirements set forth in California Code of Civil Procedure Section 1281.9.

F. **<u>Setting of Arbitration Hearing</u>.** A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

G. **<u>Discovery</u>.** In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

H. **<u>Burden of Proof</u>**. The burden of proof with respect to SBE status and/or Good Faith Efforts shall be on the Agency-Assisted Contractor and/or Contractor. The burden of proof as to all other alleged breaches by the Agency-Assisted Contractor and/or Contractor shall be on the Agency.

I. **California Law Applies.** Except where expressly stated to the contrary in this SBE Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

J. **Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance.

2. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Agency-Assisted Contract or this SBE Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Agency-Assisted Contract or this SBE Agreement, other than those minor modifications or extensions necessary to enable compliance with this SBE Agreement.

3. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any party to the arbitration to comply with any of the SBE Program requirements in the Agency-Assisted Contract or this SBE Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

4. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of this SBE Agreement unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

5. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

K. **Arbitrator's Decision.** The arbitrator shall make his or her award within twenty (20) days after the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

L. **Default Award; No Requirement to Seek an Order Compelling Arbitration.** The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

M. **Arbitrator Lacks Power to Modify.** Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agency-Assisted Contract, this SBE Agreement or any other agreement between the Agency, the Agency-Assisted Contractor or Contractor or to negotiate new agreements or provisions between the parties.

N. **Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator's fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

O. **Exculpatory Clause.** Agency-Assisted Contractor or Contractor (regardless of tier) expressly waive any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services ("the Work"). Agency-Assisted Contractor or Contractor (regardless of tier) acknowledge and agree that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this SBE Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

P. **Severability**. The provisions of this SBE Agreement are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this SBE Agreement or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this SBE Agreement or the validity of their application to other persons or circumstances.

Q. **Arbitration Notice:** BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

______________________________ ______________________________

Agency Agency-Assisted Contractor

XV. AGREEMENT EXECUTION

I, hereby certify that I have authority to execute this SBE Agreement on behalf of the business, organization or entity listed below and that it will use good faith efforts to comply with the Agency's 50% SBE Participation Goals. I declare under penalty of perjury under the laws of the State of California that the above statement is true and correct.

______________________________	______________________________
Signature	Date
______________________________	______________________________
Print Your Name	Title
______________________________	
Company Name and Phone Number	

Attachment #14

MINIMUM COMPENSATION POLICY (MCP) DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure (OCII) (Successor Agency to the San Francisco Redevelopment Agency) adopted the Minimum Compensation Policy (MCP), which became effective on September 25, 2001. The MCP requires contractors and subcontractors to provide the following to their employees covered by the MCP on OCII contracts and subcontracts for services: for Commercial Business MCP the wage rate is $13.34 per hour effective January 1, 2016; for Nonprofit MCP the wage rate is $12.25 per hour effective May 1, 2015 and $13.00 per hour effective July 1, 2016. The Minimum Compensation rate is adjusted on January 1 each year. In addition, 12 paid days off per year (or cash equivalent) and 10 days off without pay per year shall be offered.

The OCII may require contractors to submit reports on the number of employees affected by the MCP.

Effect on OCII contracting. For contracts and amendments signed on or after September 25, 2001, the MCP will have the following effect:

- in each contract, the contractor will agree to abide by the MCP and to provide its employees the minimum benefits the MCP requires, and to require its subcontractors subject to the MCP to do the same.

- if a contractor does not provide the MCP minimum benefits, OCII can award a contract to that contractor only if the contract is exempt under the MCP, or if the contract has received a waiver from OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the MCP to your covered employees, and will ensure that your subcontractors also subject to the MCP do the same.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the MCP, available from the OCII's Contract Compliance Department at (415) 749-2400 or http://www.sfocii.org/index.aspx?page=126.

Routing. Return this form to: Contract Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII contract or amendment this company receives on or after September 25, 2001, this company will provide the minimum benefit levels specified in the MCP to our covered employees, and will ensure that our subcontractors also subject to the MCP do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

______________________________	____________________
Signature	Date
______________________________	
Print Name	
______________________________	____________________
Company Name	Phone

Attachment #15

HEALTH CARE ACCOUNTABILITY POLICY (HCAP) DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure (OCII) (Successor Agency to the San Francisco Redevelopment Agency) adopted the San Francisco Health Care Accountability Policy (the "HCAP"), which became effective on September 25, 2001. The HCAP requires contractors and subcontractors that provide services to OCII, contractors and subcontractors that enter into leases with OCII, and parties providing services to tenants and sub-tenants on OCII property to choose between offering health plan benefits to their employees or making payments to OCII or directly to their employees.

Specifically, contractors can either: (1) offer the employee minimum standard health plan benefits approved by the OCII Commission; or (2) pay OCII $4.50 per hour for each hour the employee works on the covered contract or subcontract or on property covered by a lease (but not to exceed $180 in any week) and OCII will appropriate the money for staffing and other resources to provide medical care for the uninsured (rates and amounts effective July 1, 2015 and subject to annual change).

The OCII may require contractors to submit reports on the number of employees affected by the HCAP.

Effect on OCII contracting. For contracts and amendments signed on or after September 25, 2001, the HCAP will have the following effect:

- in each contract, the contractor will agree to abide by the HCAP and to provide its employees the minimum benefits the HCAP requires, and to require its subcontractors to do the same.

- if a contractor does not provide the HCAP's minimum benefits, OCII can award a contract to that contractor **only if** the contract is exempt under the HCAP, or if the contract has received a waiver from OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII's contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the HCAP to your covered employees, and will ensure that your subcontractors also subject to the HCAP do the same.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the HCAP, available from the OCII's Contract Compliance Department at: (415) 749-2400.

Routing. Return this form to: Contact Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII contract or amendment this company receives on or after September 25, 2001, this company will provide the minimum benefit levels specified in the HCAP to our covered employees, and will ensure that our subcontractors also subject to the HCAP do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

______________________________ _________________________
Signature Date

____
Print Name

______________________________ _________________________
Company Name Phone

<u>Attachment #16: PREVAILING WAGE PROVISIONS</u> (LABOR STANDARDS)

11.1 **<u>Applicability</u>**. These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined in the Agreement between the Borrower and the Office of Community Investment and Infrastructure (OCII) "Successor Agency" of which this Exhibit H and these Labor Standards are a part.

11.2 **<u>All Contracts and Subcontracts shall contain the Labor Standards. Confirmation by Construction Lender</u>**.

(a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Borrower shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. The Borrower shall supply the Agency with true copies of each contract relating to the construction of the Improvements showing the specifications that contain these Labor Standards promptly after due and complete execution thereof and before any work under such contract commences. Failure to do shall be a violation of these Labor Standards.

(b) Before close of escrow under the Agreement and as a condition to close of escrow, the Borrower shall also supply a written confirmation to the Agency from any construction lender for the Improvements that such construction lender is aware of these Labor Standards.

11.3 **<u>Definitions</u>**. The following definitions shall apply for purposes of this Exhibit H:

(a) "Contractor" is the Borrower if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds $10,000, and who employs Laborers, Mechanics, working foremen, and security guards to perform the construction on all or any part of the Improvements.

(b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including working foremen and security guards.

(c) "Working foreman" is a person who, in addition to performing supervisory duties, performs the work of a Laborer or Mechanic during at least 20 percent of the work week.

11.4 **<u>Prevailing Wage</u>**.

(a) All Laborers and Mechanics employed in the construction of the Improvements will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by §11.5) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Agency with the Development Services Manager. At the time of escrow closing the Agency shall provide the Borrower with a copy of the applicable Wage Determination.

(b) All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.

(c) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.

(d) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any Laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Agency has found, upon the written request of the Contractor, made through the Borrower that the intent of the Labor Standards has been met. Records of such costs shall be maintained in the manner set forth in subsection (a) of §11.8. The Executive Director of the Agency may require the Borrower to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or program referred to above in subsection (b) of this §11.4. The interest shall be accumulated and shall be paid as determined by the Agency acting at its sole discretion.

(e) Regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

11.5 **Permissible Payroll Deductions**. The following payroll deductions are permissible deductions. Any others require the approval of the Agency's Executive Director.

(a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.

(b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when case or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.

(c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.

(d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:

1. The deduction is not otherwise prohibited by law; and

2. It is either:

   a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining or for the continuation of employment, or

   b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and

4. The deduction shall serve the convenience and interest of the employee.

(e) Any authorized purchase of United States Savings Bonds for the employee.

(f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.

(h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments provided, that a collective bargaining agreement between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

11.6 **Apprentices and Trainees**. Apprentices and trainees will be permitted to work at less than the Mechanic's rate for the work they perform when they are employed pursuant to and are individually registered in an apprenticeship or trainee program approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or with the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS") or if a person is employed in his or her first 90 days of probationary employment as an apprentice or trainee in such a program, who is not individually registered in the program, but who has been certified by BAT or DAS to be eligible for probationary employment. Any employee listed on a payroll at an apprentice or trainee wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate for a Mechanic. Every apprentice or trainee must be paid at not less than the rate specified in the registered program for the employee's level of progress, expressed as a percentage of a Mechanic's hourly rate as specified in the Wage Determination. Apprentices or trainees shall be paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

11.7 **<u>Overtime</u>**. No Contractor contracting for any part of the construction of the Improvements which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which he or she is employed on such construction to work in excess of eight hours in any calendar day or in excess of 40 hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of 40 hours in such workweek, whichever is greater.

11.8 **<u>Payrolls and Basic Records</u>**.

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Improvements and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Improvements. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.

(b) 1. The Contractor shall submit to the Agency on each Wednesday at noon a copy of the payrolls for the week preceding the previous week in which any construction of the Improvements was performed. The payrolls submitted shall set out accurately and completely all of the information required by the Agency's Optional Form, an initial supply of which may be obtained from the Agency. The Contractor if a prime contractor or the Borrower acting as the Contractor is responsible for the submission of copies of certified payrolls by all subcontractors; otherwise each Contractor shall timely submit such payrolls.

(c) 2. Each weekly payroll shall be accompanied by the Statement of Compliance that accompanies the Agency's Optional Form and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.

(d) The Contractor shall make the records required under this §11.8 available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview employees during working hours on the job. On request the Executive Director of the Agency shall advise the Contractor of the identity of such authorized representatives.

11.9 **Occupational Safety and Health**. No Laborer or Mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her safety and health as determined under construction safety and health standards promulgated by Cal-OSHA or if Cal-OSHA is terminated, then by the federal OSHA.

11.10 **Equal Opportunity Program**. The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the equal opportunity program set forth in Exhibit I of the Agreement including Schedules A and B. Any conflicts between the language contained in these Labor Standards and Exhibit I shall be resolved in favor of the language set forth in Exhibit I, except that in no event shall less than the prevailing wage be paid.

11.11 **Nondiscrimination Against Employees for Complaints**. No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

11.12 **Posting of Notice to Employees**. A copy of the Wage Determination referred to in subsection (a) of §11.4 together with a copy of a "Notice to Employees," in the form appearing on the last page of these Labor Standards, shall be given to the Borrower at the close of escrow. The Notice to Employees and the Wage Determination shall both be posted and maintained by the Contractor in a prominent place readily accessible to all applicants and employees performing construction of the Improvements before construction commences. If such Notice and Wage Determination is not so posted or maintained, the Agency may do so.

11.13 **Violation and Remedies**.

(a) Liability to Employee for Unpaid Wages. The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.

(b) Stop Work--Contract Terms, Records and Payrolls. If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for the construction of the Improvements to contain the Labor Standards as required by §11.2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §11.8 ("Non-Complying Contractor"), the Executive Director of the Agency may, after written notice to the Borrower with a copy to the Contractor involved and failure to cure the violation within five working days after the date of such notice, stop the construction work under the Non-Conforming Contract or of the Non-Complying Contractor until the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.

(c) Stop Work and Other Violations. For any violation of these Labor Standards the Executive Director of the Agency may give written notice to the Borrower, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within five working days from the date of said notice, the Borrower shall advise the Agency in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, the Borrower, upon receipt of the notice of claimed violation from the Agency, shall with respect to any amount stated in the Agency notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Agency that the moneys are being or will be withheld. If the Borrower fails to timely give a Notice of Dispute to the Agency or to advise of the withhold, then the Executive Director of the Agency may stop the construction of the Improvements under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.

(d) Upon receipt of the Notice of Dispute and withhold advice, any stop work which the Executive Director has ordered shall be lifted, but the Borrower shall continue to withhold the moneys until the dispute has been resolved either by agreement, or failing agreement, by arbitration as is provided in §11.14.

(e) Withholding Certificates of Completion. The Agency may withhold any or all certificates of completion of the Improvements provided for in this Agreement, for any violations of these Labor Standards until such violation has been cured.

(f) General Remedies. In addition to all of the rights and remedies herein contained, but subject to arbitration, except as hereinafter provided, the Agency shall have all rights in law or equity to enforce these Labor Standards including, but not limited to, a prohibitory or mandatory injunction. Provided, however, the stop work remedy of the Agency provided above in subsection (b) and (c) is not subject to arbitration.

11.14 Arbitration of Disputes.

(a) Any dispute regarding these Labor Standards shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further provisions thereof.

(b) The Agency and all persons or entities who have a contractual relationship affected by the dispute shall be made a party to the arbitration. Any such person or entity not made a party in the demand for arbitration may intervene as a party and in turn may name any such person or entity as a party.

(c) The arbitration shall take place in the City and County of San Francisco.

(d) Arbitration may be demanded by the Agency, the Borrower or the Contractor.

(e) With the demand for arbitration, there must be enclosed a copy of these Labor Standards, and a copy of the demand must be mailed to the Agency and the Borrower, or as appropriate to one or the other if the Borrower or the Agency is demanding arbitration. If the demand does not include the Labor Standards they are nevertheless deemed a part of the demand. With the demand if made by the Agency or within a reasonable time thereafter if not made by the Agency, the Agency shall transmit to the AAA a copy of the Wage Determination (referred to in §11.4) and copies of all notices sent or received by the Agency pursuant to §11.13. Such material shall be made part of the arbitration record.

(f) One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators of the AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the parties fail to select an arbitrator, within seven (7) days from the receipt of the panel, the AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within 30 days from appointment.

(g) Any party to the arbitration whether the party participates in the arbitration or not shall be bound by the decision of the arbitrator whose decision shall be final and binding on all of the parties and any and all rights of appeal from the decision are waived except a claim that the arbitrator's decision violates an applicable statute or regulation. The decision of the arbitrator shall be rendered on or before 30 days from appointment. The arbitrator shall schedule hearings as necessary to meet this 30 day decision requirement and the parties to the arbitration, whether they appear or not, shall be bound by such scheduling.

(h) Any party to the arbitration may take any and all steps permitted by law to enforce the arbitrator's decision and if the arbitrator's decision requires the payment of money the Contractor shall make the required payments and the Borrower shall pay the Contractor from money withheld.

(i) Costs and Expenses. Each party shall bear its own costs and expenses of the arbitration and the costs of the arbitration shall be shared equally among the parties.

11.15 **Non-liability of the Agency**. The Borrower and each Contractor acknowledge and agree that the procedures hereinafter set forth for dealing with violations of these Labor Standards are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids for the construction of the Improvements, in determining the time for commencement and completion of construction and in proceeding with construction work. Accordingly the Borrower, and any Contractor, by proceeding with construction expressly waives and is deemed to have waived any and all claims against the Agency for damages, direct or indirect, arising out of these Labor Standards and their enforcement and including but not limited to claims relative to stop work orders, and the commencement, continuance or completion of construction.

Office of Community Investment and Infrastructure

N O T I C E T O E M P L O Y E E S

EQUAL OPPORTUNITY NON-DISCRIMI-NATION	The contractor must take equal opportunity steps to provide employment opportunities to minority group persons and women and shall not discriminate on the basis of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.
PREVAILING WAGE	You shall not be paid less than the wage rate attached to this Notice for the kind of work you perform.
OVERTIME	You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 8 a day or 40 a week, whichever is greater.
APPRENTICES	Apprentice rates apply only to employees registered under an apprenticeship or trainee program approved by the Bureau of Apprenticeship and Training or the California Division of Apprenticeship Standards.
PROPER PAY	If you do not receive proper pay, write the Office of Community Investment and Infrastructure, OCII 1 South Van Ness Ave. 5th Floor San Francisco, CA 94103 or call **749-2546** and ask for **Mr. George Bridges** Contract Compliance Specialist

Attachment #17: Permanent Work Force Agreement

I. **<u>PURPOSE</u>.** The purposes of the Office of Community Investment and Infrastructure (the "Agency") and the Developer/Affordable Developer in entering into this Permanent Work Force Agreement are to ensure:

A. that San Francisco residents obtain ***<u>50 percent</u>*** of the permanent jobs in the work forces of the Owner and tenants at the Site.

B. that San Francisco residents are given first consideration for employment by the Owner and tenants for permanent employment at the Site.

II. **<u>APPLICATION OF THIS SCHEDULE TO TENANTS</u>.** The Developer shall include verbatim in its leases and require the incorporation verbatim in all subleases for space in the Site the provisions of this Permanent Work Force Agreement. The lease shall make the incorporated provisions binding on and enforceable by the Agency against the tenant to the same extent as these provisions are binding on and enforceable against the Developer; except that:

A. Unless agreed otherwise by the Agency, a tenant with ***<u>26 or more</u>*** employees shall submit its workforce plan through the Developer to the Agency not later than 90 days prior to hiring any permanent employees to work on the tenant's premises; rather than pursuant to the requirements set forth in Section V.B.

B. A tenant with 25 or less employees shall not be required to submit an workforce plan pursuant to Section IV, but instead shall undertake and document in writing the good faith efforts it made to meet the goals and first consideration in employment requirements set forth in Section III. The Agency's Contract Compliance Department shall determine if such a tenant has exercised good faith efforts.

C. A tenant with less than 25 employees shall submit to the Agency the reports required by Section VII of not later than 60 days after it opens for business and annually thereafter.

III. **<u>GOALS AND OBJECTIVES</u>.**

A. make good faith efforts to employ 50 percent of its work force at the Site in each job category from residents of the City and County of San Francisco.

B. as provided in Section IV.B.1, give first consideration for employment at the Site to residents of San Francisco.

IV. **<u>PERMANENT WORKFORCE PLAN</u>.**

A. The Developer and each tenant with more than 26 employees, whether or not it is a federal contractor, shall prepare and adopt a plan for its permanent work force at the Site.

B. The workforce plan shall contain the following:

1. Detailed procedures for ensuring that San Francisco residents who are equally or more qualified than other candidates obtain first consideration for employment. These procedures shall include specific recruiting, screening and hiring procedures (e.g., phased hiring) which ensure that qualified residents receive

offers of employment prior to other equally or less qualified candidates. If a candidate(s) who is entitled to first consideration is not selected for the position, the Developer or tenant shall have the burden of establishing to the Agency and the arbitrator (if the matter is taken to arbitration), that the candidate who was selected was better qualified for the position than the candidate(s) who was entitled to first consideration.

2. Where it is a reasonable expectation that 10 percent or more of the employees in any job category will regularly work less than 35 hours per week, detailed procedures for ensuring that minority group persons, women, and San Francisco residents do not receive a disproportionate share of the part time work.

3. An agreement that not more than 15 percent of the positions in any job category will be filled by persons transferred from other facilities operated by the Developer, without the prior approval of the Agency. The Agency shall grant approval upon a showing that transfers in excess of 15 percent do not unreasonably interfere with the objective of creating new jobs for San Francisco residents and that such transfers further legitimate business needs of the Owner. Transfers shall be counted in determining if the Developer has met the employment goals for each ethnic group and women.

4. Where required by the Agency, detailed procedures for utilizing Outreach Organizations as meaningful referral sources for job applicants.

V. **ARBITRATION OF DISPUTES**.

Arbitration by **AAA**. Any dispute regarding this Permanent Work Force Agreement shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. The arbitration shall take place in the City and County of San Francisco.

Demand for Arbitration. Where the Owner disagrees with the Agency's Notice of Non-Qualification or Notice of Non-Compliance, **the Owner shall have seven (7) business days, in which to file a Demand for Arbitration,** unless otherwise stipulated by the parties. The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying entities believed to be involved in the dispute; (2) a copy of the Notice of Non-Qualification or Notice of Non-Compliance; and (3) any written response to the Notice of Non-Qualification or Notice of Non-Compliance. If the Owner fails to file a timely Demand for Arbitration, the Owner shall be deemed to have accepted and to be bound by the finding of Non-Qualification or the findings and recommendations contained in the Notice of Non-Compliance.

Parties' Participation. The Agency and all persons or entities that have a contractual relationship affected by the dispute shall be made an Arbitration Party. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such person or entity as an Arbitration Party, provided however, that the Owner made an initial timely Demand for Arbitration pursuant to Section V.B. above.

Agency Request to AAA. Within seven (7) business days after service of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration, the Notice of Non-Qualification or Notice of Non-Compliance, and any written response thereto from the affected party. Such material shall be made part of the arbitration record.

Selection of Arbitrator. One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within ninety (90) days from the arbitrator's fulfillment of the disclosure requirements set forth in California Code of Civil Procedure Section 1281.9.

Setting of Arbitration Hearing. A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

Discovery. In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

Burden of Proof. The burden of proof with respect to Permanent Work Force compliance and/or Good Faith Efforts shall be on the Owner. The burden of proof as to all other alleged breaches by the Owner shall be on the Agency.

California Law Applies. Except where expressly stated to the contrary in this Permanent Work Force Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

Arbitration Remedies and Sanctions. The arbitrator may impose only the remedies and sanctions set forth below:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance.

2. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Owner or this Permanent Work Force Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Owner or this Permanent Work Force Agreement, other than those minor modifications or extensions necessary to enable compliance with this Permanent Work Force Agreement.

3. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any party to the arbitration to comply with any of the Agency's Work Force policy requirements. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

4. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of this Permanent Work Force Agreement unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

5. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

Arbitrator's Decision. The arbitrator shall make his or her award within twenty (20) days after the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

Default Award; No Requirement to Seek an Order Compelling Arbitration. The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

Arbitrator Lacks Power to Modify. Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of this Permanent Work Force Agreement or any other agreement between the Agency and Owner or to negotiate new agreements or provisions between the parties.

Jurisdiction/Entry of Judgment. The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator's fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

Exculpatory Clause. Owner expressly waives any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services ("the Work"). Owner acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Permanent Work Force Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

Severability. The provisions of this Permanent Work Force Agreement are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Permanent Work Force Agreement or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this Permanent Work Force Agreement or the validity of their application to other persons or circumstances.

Arbitration Notice: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

______________________________ ______________________________

Agency Owner

VII. REPORTS.

A. The Owner and each tenant shall prepare, for its Site work force, reports for each job category which show by race, gender, residence (including if in the Western Addition Redevelopment Project Area A-2), and, where required by the Agency, by transfer/non-transfer and referral source:

1. Current work force composition;

2. applicants;

3. job offers;

4. hires;

5. rejections;

6. pending applications;

7. promotions and demotions; and

8. employees working, on average, less than 35 hours per week.

B. The reports shall be submitted quarterly to the Agency, unless otherwise required by the Agency. In this regard the Owner and each tenant agrees that if a significant number of positions are to be filled during a given period or other circumstances warrant, the Agency may require daily, weekly or monthly reports containing all or some of the above information. The Owner and each tenant further agrees that the above reports may not be sufficient for monitoring the Owner's or tenant's performance in all circumstances, that they will negotiate in good faith concerning additional reports, and that the arbitrator shall have authority to require additional reports if the parties cannot agree.

VIII. TERM. The obligations of the Owner and its tenants with respect to their permanent work forces as set forth in the DDA, and this Permanent Work Force Agreement, shall arise from the date the Owner or its tenants first assigns employees to the Site on a permanent basis and remain in effect for three years thereafter.

I, hereby certify that I have authority to execute this Permanent Work Force Agreement on behalf of the business, organization or entity listed below and that it will use good faith efforts to comply with the Agency's Permanent Work Force participation goals. I declare under penalty of perjury under the laws of the State of California that the above statement is true and correct.

______________________________	______________________________
Signature	Date
______________________________	______________________________
Print Your Name	Title

____
Company Name and Phone Number

Attachment #18: Construction Work Force Agreement

I. **PURPOSE.** The purpose of the Office of Community Investment and Infrastructure (the "Agency") and the Developer/Affordable Developer entering into this Construction Work Force Agreement is to ensure participation of San Francisco residents and equal employment opportunities for minority group persons and women in the construction work force involved in constructing any of the phases upon the Site covered by the DDA.

II. **WORK FORCE GOALS.**

A. The goal set forth below is expressed as a percentage of each Contractor's total hours of employment and training by trade on the Site. The goal represents the level of San Francisco resident participation each Contractor should reasonably be able to achieve in each construction trade in which it has employees on the Site. The Owner agrees, and will require each Contractor (regardless of tier), to use its good faith efforts to employ San Francisco residents to perform construction work upon the Site at a level at least consistent with said goals.

B. Goal: ***50 percent*** participation of San Francisco residents in the total hours worked in the trade.

C. Amendments to the goals shall be prospective and go into effect 20 days after the Agency mails written notice of the amendments to the Developer/Affordable Developer. New goals shall not be applied retroactively.

D. Although paragraph B establishes a single goal for participation of San Francisco residents, each Contractor is required to provide equal employment opportunity and to take equal opportunity for all ethnic groups, both male and female, and all women, both minority and non-minority. Consequently, a Contractor may be in violation of this Construction Work Force Agreement if a particular ethnic group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goal for participation of San Francisco residents, the Contractor may be in violation if a specific ethnic group is underutilized.) If the Agency determines, after affording a Contractor notice and an opportunity to be heard, that the Contractor has violated its obligations under this paragraph, the Agency may set, for that Contractor, work force participation goals by particular ethnic group, e.g., Blacks, Latinos, etc.

E. Each Contractor is individually required to comply with its obligations under this Construction Work Force Agreement, and to make a good faith effort to achieve each goal in each trade in which it has employees employed at the Site. (See Section IV below.) The overall good faith performance by other contractors or subcontractors toward a goal does not excuse any covered Contractor's failure to make good faith efforts to achieve the goals.

F. The Contractor shall not use the goals or equal opportunity standards to discriminate against any person because of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.

G. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Unless otherwise permitted by law, trainees must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS").

III. **INCORPORATION.** Whenever the Owner, the general contractor, any prime contractor, or any subcontractor at any tier subcontracts a portion of the work on the Site involving any construction trade, it shall set forth verbatim and make binding on each subcontractor which has a contract in excess of $10,000 the provisions of this Construction Work Force Agreement, including the applicable goals for San Francisco resident participation in each trade.

IV. **EQUAL OPPORTUNITY REQUIREMENTS.**

A. Each Contractor shall take specific equal opportunities to ensure equal employment opportunity ("EEO"). The evaluation of the Contractor's compliance with this Construction Work Force Agreement shall be based upon its good faith efforts to achieve maximum results from its actions. Each Contractor shall document these efforts fully, and shall implement equal opportunity steps at least as extensive as the following:

1. Ensure and maintain a working environment free of harassment, intimidation, and coercion at the Site. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment.

2. Provide written notification to CityBuild when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

3. Maintain a current file of the names, addresses and telephone numbers of each resident applicant and each resident referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union, or if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.

4. Provide immediate written notification to the Agency when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a resident sent or requested by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

5. Develop on-the-job training opportunities and/or participate in training programs, including apprenticeship, trainee and upgrading programs relevant to the Contractor's employment needs, especially those funded or approved by BAT or DAS. The Contractor shall provide notice of these programs to the sources compiled under Section IV.A.2 above.

6. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at the Site.

7. Review, prior to beginning work at the Site and at least annually thereafter, the Contractor's EEO policy and equal opportunity obligations under the DDA and this Construction Work Force Agreement with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as superintendents, general foremen, etc. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter. The Agency's contract compliance staff shall be invited to attend the meeting held prior to the beginning of work at the Site.

8. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other contractors and subcontractors with whom the Contractor does or anticipates doing business.

9. Direct its recruitment efforts, both oral and written, to local minority group, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

10. Encourage present minority and female employees to recruit other minority group persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the Site and in other areas of a Contractor's work force.

11. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

12. Conduct, at least annually, an inventory and evaluation of San Francisco resident personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training etc., such opportunities.

13. Ensure that seniority practices, job classifications, work assignments and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

14. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the genders.

15. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and equal opportunity obligations.

B. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their equal opportunity obligations under Section IV.A.1 through 15. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Section IV.A.1 through 15 provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minority group persons and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female work force composition, makes a good faith effort to meet its individual goals, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

V. ADDITIONAL PROVISIONS.

A. The failure by a union with which the Contractor has a collective bargaining agreement, to refer San Francisco residents shall not excuse the Contractor's obligations under this Construction Work Force Agreement.

B. A Contractor shall not enter into any subcontract with any person or firm that the Contractor knows or should have known is debarred from government contracts pursuant to Executive Order 11246.

C. No employee to whom the equal opportunity provisions of this Construction Work Force Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to Attachment 9 of the DDA or this Schedule.

D. Each Contractor shall designate a responsible official to monitor all employment-related activity to ensure that the Contractor's EEO policy is being carried out.

VI. DOCUMENTATION AND RECORDS.

A. Submission of electronic certified payrolls. Each Contractor shall submit through the General Contractor to the Agency by noon on each Wednesday a report providing the information contained in the Agency's Optional Form of payroll report for the week preceding the previous week on each of its employees. Each prime contractor is responsible for the submission of this report by each of its subcontractors.

B. Each Contractor shall submit through the General Contractor to the Agency by noon on each Wednesday a payroll report for the week preceding the previous week on each of its employees. Each prime contractor is responsible for the submission of this report by each of its subcontractors and for certifying its accuracy.

C. No monthly progress payments will be processed until Contractor has submitted weekly certified payrolls to the Agency for the applicable time period. Certified payrolls shall be prepared pursuant to this SBE Policy for the period involved for all employees, including those of subcontractors of all tiers, for all labor incorporated into the work.

D. Contractor shall submit certified payrolls to the Agency electronically via the Project Reporting System ("PRS") selected by the Agency, an Internet-based system accessible on the World Wide Web through a web browser. The Contractor and each Subcontractor and Supplier must register with PRS and be assigned a log-on identification and password to access the PRS.

E. Use of the PRS may require Contractor, Subcontractors and Suppliers to enter additional data relating to weekly payroll information including, but not limited to, employee identification, labor classification, total hours worked and hours worked on this project, and wage and benefit rates paid. Contractor's payroll and accounting software may be capable of generating a "comma delimited file" that will interface with the PRS software.

F. For each Agency-Assisted project, the Agency will provide basic training in the use of the PRS at a scheduled training session. Contractor and all Subcontractors and Suppliers and/or their designated representatives must attend the PRS training session.

G. Contractor shall comply with the requirements of this Article VI at no additional cost to the Agency or the Owner.

H. The Agency will not be liable for interest, charges or costs arising out of or relating to any delay in making progress payments due to Contractor's failure to make a timely and accurate submittal of weekly certified payrolls.

I. In addition to the above, Contractor shall comply with the requirements of California Labor Code Section 1776, or as amended from time to time, regarding the keeping, filing and furnishing of certified copies of payroll records of wages paid to its employees and to the employees of its Subcontractors of all tiers.

J. The Contractor shall make the payroll records available to for inspection at all reasonable hours at the job site office of Contractor.

K. Contractor is solely responsible for compliance with Labor Code Section 1776 or this SBE Policy. The Agency shall not be liable for Contractor's failure to make timely or accurate submittals of certified payrolls.

VII. ARBITRATION OF DISPUTES.

A. **Arbitration** by **AAA**. Any dispute regarding this Construction Work Force Agreement shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. The arbitration shall take place in the City and County of San Francisco.

B. **Demand for Arbitration**. Where the Owner disagrees with the Agency's Notice of Non-Qualification or Notice of Non-Compliance, **the Owner shall have seven (7) business days, in which to file a Demand for Arbitration,** unless otherwise stipulated by the parties. The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying entities believed to be involved in the dispute; (2) a copy of the Notice of Non-Qualification or Notice of Non-Compliance; and (3) any written response to the Notice of Non-Qualification or Notice of Non-Compliance. If the Owner fails to file a timely Demand for Arbitration, the Owner shall be deemed to have accepted and to be bound by the finding of Non-Qualification or the findings and recommendations contained in the Notice of Non-Compliance.

C. **Parties' Participation**. The Agency and all persons or entities that have a contractual relationship affected by the dispute shall be made an Arbitration Party. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration

Party and in turn may name any other such person or entity as an Arbitration Party, provided however, that the Owner made an initial timely Demand for Arbitration pursuant to Section V.B. above.

D. **Agency Request to AAA**. Within seven (7) business days after service of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration, the Notice of Non-Qualification or Notice of Non-Compliance, and any written response thereto from the affected party. Such material shall be made part of the arbitration record.

E. **Selection of Arbitrator**. One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within ninety (90) days from the arbitrator's fulfillment of the disclosure requirements set forth in California Code of Civil Procedure Section 1281.9.

F. **Setting of Arbitration Hearing.** A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

G. **Discovery.** In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

H. **Burden of Proof**. The burden of proof with respect to Construction Work Force compliance and/or Good Faith Efforts shall be on the Owner. The burden of proof as to all other alleged breaches by the Owner shall be on the Agency.

I. **California Law Applies.** Except where expressly stated to the contrary in this Construction Work Force Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

J. **Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance.

2. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Owner or this Construction Work Force Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Owner or this Construction Work Force Agreement, other than those minor modifications or extensions necessary to enable compliance with this Construction Work Force Agreement.

3. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any party to the arbitration to comply with any of the Agency's Work Force policy requirements. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

4. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of this Construction Work Force Agreement unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

5. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

K. **Arbitrator's Decision.** The arbitrator shall make his or her award within twenty (20) days after the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

L. **Default Award; No Requirement to Seek an Order Compelling Arbitration.** The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

M. **Arbitrator Lacks Power to Modify.** Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of this Construction Work Force Agreement or any other agreement between the Agency and Owner or to negotiate new agreements or provisions between the parties.

N. **Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator's fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

O. **Exculpatory Clause.** Owner expressly waives any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services ("the Work"). Owner acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Construction Work Force Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

P. **<u>Severability</u>**. The provisions of this Construction Work Force Agreement are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Construction Work Force Agreement or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this Construction Work Force Agreement or the validity of their application to other persons or circumstances.

Q. **<u>Arbitration Notice</u>:** BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

<u>WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.</u>

______________________________ ______________________________
Agency Owner

VIII. <u>PRECONSTRUCTION MEETING</u>.

A. Prior to the commencement of construction, the general contractor, any prime contractor, or any subcontractor at any tier shall attend a preconstruction meeting convened by the Agency and to which outreach organizations are invited to review the reporting requirements, the prospective construction work force composition and any problems that may be anticipated in meeting the construction work force goal.

B. Any subcontractor at any tier, who does not attend such a meeting shall not be permitted on the job site. The Agency shall convene additional preconstruction meetings within 24 hours of the Contractor's request. The Contractor shall endeavor to include as many prospective subcontractors as possible at these meetings in order not to protract unduly the number of meetings.

C. Failure to comply with this preconstruction meeting provision may result in the Agency ordering a suspension of work by the prime contractor and/or the subcontractor until the breach has been cured. Suspension under this provision is not subject to arbitration.

IX. <u>TERM. **The obligations of the Owner and the Contractors with respect to their construction work forces, as set forth in Attachment 9 of this DDA and this Construction Work Force Agreement, shall remain in effect until completion of all work to be performed by the Owner in connection with the construction of any of the phases.**</u>

I, hereby certify that I have authority to execute this Construction Work Force Agreement on behalf of the business, organization or entity listed below and that it will use good faith efforts to comply with the Agency's Construction Work Force participation goals. I declare under penalty of perjury under the laws of the State of California that the above statement is true and correct.

______________________________	______________________________
Signature	Date
______________________________	______________________________
Print Your Name	Title

____

Company Name and Phone Number

2024
MAXIMUM INCOME BY HOUSEHOLD SIZE
derived from the
Unadjusted Area Median Income (AMI)
for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco

Income Definition	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	9 Person	10 Person	11 Person
15% OF MEDIAN	$15,750	$18,000	$20,250	$22,500	$24,300	$26,100	$27,850	$29,650	$31,450	$33,250	$35,050
20% OF MEDIAN	$21,000	$24,000	$26,950	$29,950	$32,350	$34,750	$37,150	$39,550	$41,950	$44,350	$46,750
25% OF MEDIAN	$26,250	$30,000	$33,700	$37,450	$40,450	$43,450	$46,450	$49,450	$52,450	$55,450	$58,450
30% OF MEDIAN	$31,450	$35,950	$40,450	$44,950	$48,550	$52,150	$55,750	$59,350	$62,950	$66,550	$70,150
35% OF MEDIAN	$36,700	$41,950	$47,200	$52,450	$56,650	$60,850	$65,050	$69,250	$73,450	$77,650	$81,800
39% OF MEDIAN	$40,900	$46,750	$52,600	$58,450	$63,100	$67,800	$72,450	$77,150	$81,800	$86,500	$91,150
40% OF MEDIAN	$41,950	$47,950	$53,950	$59,950	$64,750	$69,550	$74,300	$79,100	$83,900	$88,700	$93,500
45% OF MEDIAN	$47,200	$53,950	$60,700	$67,450	$72,850	$78,250	$83,600	$89,000	$94,400	$99,800	$105,200
50% OF MEDIAN	$52,450	$59,950	$67,450	$74,950	$80,950	$86,950	$92,900	$98,900	$104,900	$110,900	$116,900
52% OF MEDIAN	$54,550	$62,350	$70,100	$77,900	$84,150	$90,400	$96,600	$102,850	$109,100	$115,350	$121,550
55% OF MEDIAN	$57,700	$65,950	$74,150	$82,400	$89,000	$95,600	$102,200	$108,800	$115,400	$122,000	$128,550
60% OF MEDIAN	$62,950	$71,950	$80,900	$89,900	$97,100	$104,300	$111,500	$118,700	$125,900	$133,100	$140,250
65% OF MEDIAN	$68,200	$77,950	$87,650	$97,400	$105,200	$113,000	$120,750	$128,550	$136,350	$144,150	$151,950
70% OF MEDIAN	$73,450	$83,950	$94,400	$104,900	$113,300	$121,700	$130,050	$138,450	$146,850	$155,250	$163,650
72% OF MEDIAN	$75,550	$86,350	$97,100	$107,900	$116,550	$125,150	$133,800	$142,400	$151,050	$159,700	$168,300
74% OF MEDIAN	$77,650	$88,750	$99,800	$110,900	$119,750	$128,650	$137,500	$146,350	$155,250	$164,150	$173,000
75% OF MEDIAN	$78,700	$89,950	$101,150	$112,400	$121,400	$130,400	$139,350	$148,350	$157,350	$166,350	$175,300
80% OF MEDIAN	$83,900	$95,900	$107,900	$119,900	$129,500	$139,100	$148,650	$158,250	$167,850	$177,450	$187,000
85% OF MEDIAN	$89,150	$101,900	$114,600	$127,350	$137,550	$147,750	$157,950	$168,150	$178,350	$188,550	$198,700
90% OF MEDIAN	$94,400	$107,900	$121,350	$134,850	$145,650	$156,450	$167,200	$178,000	$188,800	$199,600	$210,400
95% OF MEDIAN	$99,650	$113,900	$128,100	$142,350	$153,750	$165,150	$176,500	$187,900	$199,300	$210,700	$222,050
100% OF MEDIAN	$104,900	$119,900	$134,850	$149,850	$161,850	$173,850	$185,800	$197,800	$209,800	$221,800	$233,750
104% OF MEDIAN	$109,100	$124,700	$140,250	$155,850	$168,300	$180,800	$193,250	$205,700	$218,200	$230,650	$243,100
105% OF MEDIAN	$110,150	$125,900	$141,600	$157,350	$169,950	$182,550	$195,100	$207,700	$220,300	$232,900	$245,450
110% OF MEDIAN	$115,400	$131,900	$148,350	$164,850	$178,050	$191,250	$204,400	$217,600	$230,800	$244,000	$257,150
115% OF MEDIAN	$120,650	$137,900	$155,100	$172,350	$186,150	$199,950	$213,650	$227,450	$241,250	$255,050	$268,800
120% OF MEDIAN	$125,900	$143,900	$161,800	$179,800	$194,200	$208,600	$222,950	$237,350	$251,750	$266,150	$280,500
130% OF MEDIAN	$136,350	$155,850	$175,300	$194,800	$210,400	$226,000	$241,550	$257,150	$272,750	$288,350	$303,900
135% OF MEDIAN	$141,600	$161,850	$182,050	$202,300	$218,500	$234,700	$250,850	$267,050	$283,250	$299,450	$315,550
140% OF MEDIAN	$146,850	$167,850	$188,800	$209,800	$226,600	$243,400	$260,100	$276,900	$293,700	$310,500	$327,250
145% OF MEDIAN	$152,100	$173,850	$195,550	$217,300	$234,700	$252,100	$269,400	$286,800	$304,200	$321,600	$338,950
149% OF MEDIAN	$156,300	$178,650	$200,950	$223,300	$241,150	$259,050	$276,850	$294,700	$312,600	$330,500	$348,300
150% OF MEDIAN	$157,350	$179,850	$202,300	$224,800	$242,800	$260,800	$278,700	$296,700	$314,700	$332,700	$350,650
160% OF MEDIAN	$167,850	$191,850	$215,750	$239,750	$258,950	$278,150	$297,300	$316,500	$335,700	$354,900	$374,000
175% OF MEDIAN	$183,600	$209,850	$236,000	$262,250	$283,250	$304,250	$325,150	$346,150	$367,150	$388,150	$409,050
200% OF MEDIAN	$209,800	$239,800	$269,700	$299,700	$323,700	$347,700	$371,600	$395,600	$419,600	$443,600	$467,500

San Francisco Mayor's Office of Housing and Community Development

Notes:
1. Source: U.S. Dept. of Housing and Urban Development, published: 04/01/2024
2. Figures derived by SF MOHCD from HUD's 2024 Median Family Income for a 4 person Household for San Francisco ('HMFA'), unadjusted for high housing costs, and are rounded to the nearest $50.
3. Additional information on HUD's defined income limits can be found at: http://www.huduser.org/portal/datasets/il.html
4. Figures above further derived via application of MOHCD AMI Hold Harmless Policy, effective 05/03/2019: https://tinyurl.com/SFAMIHoldHarmless

Effective Date: 04/30/2024

2024
MAXIMUM MONTHLY RENT BY UNIT TYPE
derived from the
Unadjusted Area Median Income (AMI)
for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco
Published by the San Francisco Mayor's Office of Housing and Community Development

		SRO	STUDIO	1BR	2BR	3BR	4BR	5BR
15% OF MEDIAN	Max Gross Rent	$295	$394	$450	$506	$563	$608	$653
20% OF MEDIAN	Max Gross Rent	$394	$525	$600	$674	$749	$809	$869
25% OF MEDIAN	Max Gross Rent	$492	$656	$750	$843	$936	$1,011	$1,086
30% OF MEDIAN	Max Gross Rent	$590	$786	$899	$1,011	$1,124	$1,214	$1,304
35% OF MEDIAN	Max Gross Rent	$688	$918	$1,049	$1,180	$1,311	$1,416	$1,521
39% OF MEDIAN	Max Gross Rent	$767	$1,023	$1,169	$1,315	$1,461	$1,578	$1,695
40% OF MEDIAN	Max Gross Rent	$787	$1,049	$1,199	$1,349	$1,499	$1,619	$1,739
45% OF MEDIAN	Max Gross Rent	$885	$1,180	$1,349	$1,518	$1,686	$1,821	$1,956
50% OF MEDIAN	Max Gross Rent	$983	$1,311	$1,499	$1,686	$1,874	$2,024	$2,174
52% OF MEDIAN	Max Gross Rent	$1,023	$1,364	$1,559	$1,753	$1,948	$2,104	$2,260
55% OF MEDIAN	Max Gross Rent	$1,082	$1,443	$1,649	$1,854	$2,060	$2,225	$2,390
60% OF MEDIAN	Max Gross Rent	$1,180	$1,574	$1,799	$2,023	$2,248	$2,428	$2,608
65% OF MEDIAN	Max Gross Rent	$1,279	$1,705	$1,949	$2,191	$2,435	$2,630	$2,825
70% OF MEDIAN	Max Gross Rent	$1,377	$1,836	$2,099	$2,360	$2,623	$2,833	$3,043
72% OF MEDIAN	Max Gross Rent	$1,417	$1,889	$2,159	$2,428	$2,698	$2,914	$3,129
74% OF MEDIAN	Max Gross Rent	$1,456	$1,941	$2,219	$2,495	$2,773	$2,994	$3,216
75% OF MEDIAN	Max Gross Rent	$1,476	$1,968	$2,249	$2,529	$2,810	$3,035	$3,260
80% OF MEDIAN	Max Gross Rent	$1,573	$2,098	$2,398	$2,698	$2,998	$3,238	$3,478
90% OF MEDIAN	Max Gross Rent	$1,770	$2,360	$2,698	$3,034	$3,371	$3,641	$3,911
100% OF MEDIAN	Max Gross Rent	$1,967	$2,623	$2,998	$3,371	$3,746	$4,046	$4,346
105% OF MEDIAN	Max Gross Rent	$2,065	$2,754	$3,148	$3,540	$3,934	$4,249	$4,564
110% OF MEDIAN	Max Gross Rent	$2,164	$2,885	$3,298	$3,709	$4,121	$4,451	$4,781
120% OF MEDIAN	Max Gross Rent	$2,361	$3,148	$3,598	$4,045	$4,495	$4,855	$5,215
130% OF MEDIAN	Max Gross Rent	$2,557	$3,409	$3,896	$4,383	$4,870	$5,260	$5,650
135% OF MEDIAN	Max Gross Rent	$2,655	$3,540	$4,046	$4,551	$5,058	$5,463	$5,868
140% OF MEDIAN	Max Gross Rent	$2,753	$3,671	$4,196	$4,720	$5,245	$5,665	$6,085
150% OF MEDIAN	Max Gross Rent	$2,950	$3,934	$4,496	$5,058	$5,620	$6,070	$6,520
160% OF MEDIAN	Max Gross Rent	$3,147	$4,196	$4,796	$5,394	$5,994	$6,474	$6,954
175% OF MEDIAN	Max Gross Rent	$3,443	$4,590	$5,246	$5,900	$6,556	$7,081	$7,606
200% OF MEDIAN	Max Gross Rent	$3,934	$5,245	$5,995	$6,743	$7,493	$8,093	$8,693

Allowable Annual Rent Increase for existing tenants in projects governed by the above MOHCD Rent Limits:	**3.99%**

These maximum gross rents apply to units for which the owner pays the cost of all utilities. To calculate the maximum rent when the tenant pays for some or all of the utilities, or "net rent," 1) determine which utilities will be the tenant's responsibility, 2) look up the corresponding utility allowances in the chart below, 3) calculate the total of those allowances and 4) subtract the total from the maximum gross rent. The following example is for a 3 BR unit restricted to households with incomes at or below 60% AMI and for which the tenants will have to pay the cost of electricity and gas cooking and the owner will pay for heat and hot water.

Cooking - Natural Gas - 3BR	$9	Maximum Gross Rent - 3BR - 60% AMI	$2,248
Other Electricity - 3BR	$115	Total Utility Allowance	-$124
Total Utility Allowance	$124	Maximum Net Rent	$2,124

Current Utility Allowance Chart
Allowances for Tenant-Furnished Utilities

Utility or Service		Monthly Dollar Allowances					
		STUDIO	1BR	2BR	3BR	4BR	5BR
Heating	a. Natural Gas	12	17	22	27	34	39
	b. Electric	35	48	62	76	97	110
Cooking	a. Natural Gas	4	6	7	9	12	13
	b. Electric	18	25	33	40	51	58
Other Electric		52	73	94	115	147	168
Water Heating	a. Natural Gas	11	16	20	25	32	36
	b. Electric	47	66	84	103	131	150

Utility Allowances approved for the San Francisco Housing Authority, effective 1/1/2024:
https://sfha.org/files/documents/SFHA%20Utility%20Allowance%20-%20HCV%202024%20%281%29_0.pdf

	SRO	STUDIO	1BR	2BR	3BR	4BR	5BR
FAIR MARKET RENT:	**$1,719**	**$2,292**	**$2,818**	**$3,359**	**$4,112**	**$4,473**	**$5,144**

Source: HUD, effective 10/1/2023
https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn

	SRO	STUDIO	1BR	2BR	3BR	4BR	5BR
SFHA Payment Standard:	**$2,138**	**$2,851**	**$3,506**	**$4,178**	**$5,115**	**$5,564**	**$6,398**

*As published by the San Francisco Housing Authority, effective 1/1/2024 for all transactions.
https://sfha.org/files/documents/SFHA%20Payment%20Standards%202024%20-%20Revised%2003.6.24.pdf

	STUDIO	1BR	2BR	3BR	4BR	5BR
LOW HOME RENTS	**$1,713**	**$1,836**	**$2,203**	**$2,545**	**$2,840**	**$3,133**
HIGH HOME RENTS	**$2,208**	**$2,366**	**$2,842**	**$3,275**	**$3,634**	**$3,991**

https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_RentLimits_State_CA_2024.pdf
Allowable annual rent increase for project governed by HOME Rent requirements: **5.10%**

Maximum Annual Increase of Gross Rent for projects that are subject to limits set by the San Francisco Rent Board: **1.7%**
https://sf.gov/sites/default/files/2023-11/571%20Allowable%20Annual%20Increases%2024-25%20EN%2011.17.23.pdf

Assumptions/Notes:

1. Rents Calculated at 30% of corresponding monthly income limit amount.
2. Occupancy Standard is one person per bedroom plus one additional person.
3. Maximum Rents are derived via application of MOHCD AMI Hold Harmless Policy, effective 05/03/2019: https://tinyurl.com/SFAMIHoldHarmless

PROPERTY OWNER AND OCCUPANT PREFERENCE PROGRAM

(CERTIFICATE OF PREFERENCE PROGRAM)

OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

As amended and restated pursuant to
Agency Resolution No. 57-2008 (June 3, 2008)

As further amended pursuant to
Successor Agency Resolution No. 40-2020 (Dec. 15, 2020)

As amended December 15, 2020

Effective January 1, 2021

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I. INTRODUCTION.

In 1967, the Redevelopment Agency of the City and County of San Francisco ("Agency") established a Certificate of Preference Program for displaced residents and businesses in the Western Addition A-2 Redevelopment Project Area. [1] The Agency was in the midst of implementing federally-funded urban renewal programs. It created a local program whereby displaced residents and businesses received "Certificates of Preference" and were thus entitled to a priority in the renting or buying of Agency-owned or approved property. The preference was in addition to other relocation benefits (i.e., fair market value for acquired property, relocation assistance, replacement housing units) that the displacees may have received; it was also subject to otherwise applicable eligibility requirements that the Agency imposed on the renting or buying of the property.

Two years later, in 1969, the California legislature established a "priority" for low- and moderate-income persons displaced by redevelopment projects "in renting or buying" affordable housing developed by redevelopment agencies.[2] This statutory obligation is currently codified in the Community Redevelopment Law at Section 33411.3 of the Health and Safety Code. State law does not specify how redevelopment agencies implement the "priority" for displacees.

The Certificate of Preference Program has special significance in the Western Addition A-2 and Hunters Point Redevelopment Project Areas, where federally-funded urban renewal authorized the widespread clearance and relocation of communities. [3] The federal programs were replicated across the country and caused wide-spread social, economic, cultural, political, and emotional upheaval that has been documented in the affected communities.[4] In light of the unique social and individual losses associated with urban renewal, the Agency provides enhanced preferences to those who were directly or indirectly affected by the redevelopment activities in the Western Addition A-2 and Hunters Point Redevelopment Project Areas.

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[1] See Rules Governing Business Preferences for the Western Addition Redevelopment Project Area A-2, Agency Resolution No. 136-63 (Oct. 22, 1963); Property Owner and Occupant Preference Policy for Reestablishment in the Western Addition Redevelopment Project A-2, Agency Resolution No. 103-67 (July 25, 1967).

[2] Statutes 1969, chapter 955 (Senate Bill No. 146-Moscone), § 4.

[3] Although other project areas were subject to "urban renewal," they were not part of the Certificate Program. By the time the Agency adopted the original Certificate Program in 1967, massive displacement of businesses and residents had already occurred in the Western Addition A-1 and the Golden Gateway Project Areas. Moreover, the relocation of thousands of residents in the Yerba Buena Center Project Area was the subject of litigation that ultimately defined the rights of displacees in judicial orders and a settlement agreement. See Tenants and Owners in Opposition to Redevelopment ("TOOR") v. U.S. Dept. of Housing and Urban Development, 406 F. Supp. 1024 (N.D. Cal. 1970). Apparently, these other project areas in the urban renewal era were not included in the Certificate Program because of these circumstances and thus are not part of these revised program rules.

[4] See generally M. Fullilove, Root Shock: How Tearing Up City Neighborhoods Hurts America, and What We Can Do About It (Ballantine Books 2004).

As noted above, the Agency has statutory obligations under the California Community Redevelopment Law to provide preferences to low- and moderate-income displacees in Agency-assisted housing and to businesses for the purposes of reentering the project area.[5] The Agency has fulfilled these obligations through a Certificate of Preference Program and through separately-adopted business re-entry policies that are part of redevelopment plan approvals.[6] Historically, the Certificate of Preference Program has applied only in the Western Addition A-2, Hunters Point (Area A of the Bayview Hunters Point Redevelopment Plan), Stockton-Sacramento,[7] and Bayview Industrial Triangle Redevelopment Project Areas.[8] In other redevelopment project areas, the Agency did not use the Certificate of Preference Program, but implemented the separately-adopted business re-entry policies and directly provided replacement housing to lower income displaced residents. Accordingly, the Certificate of Preference Program is only one means by which the Agency has fulfilled its statutory obligations to provide displaced persons with a priority in the renting or buying of property.

This Property Owner and Occupant Preference Program, as amended and restated, ("Amended and Restated Program") codifies and clarifies recent amendments that the Agency Commission authorized in Agency Resolution No. 57-2008 (June 3, 2008).[9] These amendments include extending the duration of certain residential certificates, expanding the housing opportunities for certain displacees who did not receive certificates at the time of displacement because they were not then eligible, e.g., minor children and adults who were not heads of the household, revising the appeals process when the Agency denies a certificate, providing an enhanced education and outreach program to identify displacees, and reaffirming existing policies that only persons displaced by Agency action are eligible for a certificate and that a displacee may establish eligibility even though his or her name does not appear on Agency records.

In addition, the Agency Commission authorized Agency staff to continue exploring the future expansion of the certificate program to certain persons who did not live in the household at the time of displacement, but who may be the grandchildren of the original displaced heads of household, i.e., children of the persons who were children themselves at the time of displacement. The Agency

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[5] California Health and Safety Code, Section 33339.5 (Reentry in business in redeveloped areas); California Health and Safety Code, Section 33411.3 (Availability of low- and moderate-income units to displaced persons of low- and moderate-income).

[6] See List of Separately-Adopted Business Preference and Re-Entry Policies, attached as Exhibit 1.

[7] The Stockton-Sacramento Redevelopment Project Area expired in 2004; under the terms of the then-existing Property Owner and Occupant Preference Program, certificates of preference from that project area expired two years later in 2006.

[8] The Rincon Point-South Beach Redevelopment Project Area also has its own Certificate of Preference Program. Property owner and occupant re-entry preference program for the Rincon Point-South Beach Redevelopment Project Area, Agency Resolution No. 330-1980 (Oct. 28, 1980).

[8] Agency Resolution No. 57-2008 is attached as Exhibit 2.

Commission did not authorize an immediate expansion of the certificate program to include these "grandchildren;" rather it directed Agency staff to continue investigating, among other things, the feasibility of expanding eligibility in light of the supply of affordable housing and the ability of the Agency to meet existing demand. When Agency staff completes its review of the issues associated with the "grandchildren" expansion, it will make appropriate amendments to the program.

This Amended and Restated Program is divided into two separate sections: a program of preference for residential displacees and another program for business displacees. The residential program applies to all existing project areas, but has special provisions for certain project areas affected by urban renewal. The business program applies only to certain existing project areas that do not have a separately-adopted business re-entry policy, namely the Western Addition A-2, Hunters Point (Area A of the Bayview Hunters Point Redevelopment Plan), and Bayview Industrial Triangle Redevelopment Project Areas. In all other project areas, separate re-entry policies remain in effect and are not affected by this Amended and Restated Program.

II. RESIDENTIAL CERTIFICATE OF PREFERENCE PROGRAM.

A. Purpose.

1. To give certain preferences in consideration for housing to persons displaced by Agency action or action on behalf of the Agency. For purposes of these standards under the Residential Certificate of Preference Program, "Agency" refers not only to the Redevelopment Agency of the City and County of San Francisco, but also to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure or OCII).

2. To give enhanced preferences in consideration for housing opportunities to those persons affected by urban renewal programs in the Western Addition A-2 and Hunters Point (Area A of the Bayview Hunters Point Redevelopment Plan (the "Urban Renewal Project Areas").

3. To implement, for all project areas, statutory requirements under the Community Redevelopment Law (Health & Safety Code § 33411.3) requiring the Agency to give priority to displaced low- and moderate-income households in Agency-assisted housing and in other housing for low- and moderate-income households.

4. To supplement other rights and benefits that may be available to displaced persons, such as relocation benefits under the Relocation Assistance and Property Acquisition Guidelines, 25 Cal. Code of Regulations, Sections 6000 et seq.

B. Definitions.

1. "Agency-Assisted Housing Units" means those units that the Agency must make available to displaced persons under Section 33411.3 of the Health and Safety Code, i.e., low- or moderate-income housing units developed (i) with any Agency assistance, (ii) pursuant to Section 33413 of the Health and Safety Code, or (iii) in any redevelopment project area.

2. "Certificate" or "Certificate of Preference" is Agency documentation that a person or business is eligible for a preference described in this Program.

3. "Displaced Person" means a person who was a legal occupant of a building and who permanently moved him or herself from the property as a result of acquisition of the property (i) by the

Agency, (ii) by a private entity under contract with or on behalf of the Agency, or (iii) as a result of receipt of a notice of intention to acquire by the Agency. Displaced person also includes a person who moves as a result of the rehabilitation, demolition, or other displacing activity that the Agency or any person having an agreement with or acting on behalf of the Agency undertakes of real property on which the person is in lawful occupancy. A Displaced Person may be an owner or a tenant in lawful occupancy of the property from which he/she was displaced.

4. "Residential A Certificate Holder" means a Displaced Person who lived in an Urban Renewal Project Area and who is eligible to receive a Certificate of Preference based either: (i) on his or her status as a head of household at the time of displacement, or (ii) on his or her intent to live separate and apart from the household after displacement; and whose name appears on Agency records, e.g., the Site Occupant Record.

5. "Residential C Certificate Holder" means a Displaced Person who lived in an Urban Renewal Project Area and who is eligible to receive a Certificate based on his or residency in a household at the time of Agency displacement, but who was ineligible for a Residential A Certificate of Preference. To qualify for a Residential C Certificate, the person's name must appear on the Agency's Site Occupant Record for a dwelling unit or the person must be able to prove, to the reasonable satisfaction of the Agency, that he or she resided in the household at the time of displacement.

6. "Residential G Certificate Holder" means a Displaced Person a) who is the head of household or who demonstrates to the reasonable satisfaction of the Agency that he or she intends to live separate and apart from the household after displacement; b) who lived in the City and County of San Francisco other than an Urban Renewal Project Area at the time of displacement; and c) who has not been provided by the Agency with permanently affordable replacement housing in an Agency-Assisted Housing Unit.

7. "Residential Certificate" means Agency documentation that a person is eligible for a Residential A, C, or G Certificate.

8. "Residential Certificate of Preference Holder" or "Residential Certificate Holder" means all classes of residential certificate holders, i.e., Residential A, C, and G Certificate Holders.

9. "Site Occupant Record" means the Agency's record of the occupants of a building at the time of Agency displacement. The

Agency or a designated agent of the Agency is responsible for completing the Site Occupancy Record ("SOR") for each displaced household.

10. "Urban Renewal Project Area" means the Western Addition A-2 or Hunters Point (i.e., Area A of the Bayview Hunters Point Redevelopment Project Area) Redevelopment Project Areas.

11. "Used" means a) in the case of a rental or purchase of a cooperative share, means the execution of a lease or rental agreement; or b) in the case of a purchase, the execution of a deed by the Agency or a third party pursuant to an agreement with the Agency requiring priority in sales to Certificate Holders.

C. Use of Residential Certificates.

A Residential Certificate entitles a Displaced Person, in accordance with the California Health and Safety Code Section 33411.3, to receive a priority in the renting or buying of an Agency-Assisted Housing Unit, subject to the following conditions:

1. The Displaced Person must meet the income eligibility and other requirements for the Agency-assisted housing unit.

2. Residential Certificate Holders are eligible to use a Certificate to receive a priority: 1) in the renting of, or buying of a cooperative share in, Agency-Assisted Housing Unit; and 2) in the buying of an Agency-Assisted Housing Unit. All classes of Residential Certificate Holders thus have the opportunity to exercise the Certificate twice: once for a rental or cooperative share opportunity and again for a homeownership opportunity, provided, however, that a person who is otherwise eligible for a Residential G Certificate Holder is not eligible for a Certificate if the Agency has provided the displaced household with affordable housing in an Agency-Assisted Housing Unit.

3. Residential Certificate Holders have the above-described preferences for the renting or buying of Agency-Assisted Housing Units in the following descending order of priority, provided, however, that a redevelopment plan or Agency Commission action may change this order of priority for a particular project area or project:

   a. A Displaced Person with the earliest date of displacement.

b. A Displaced Person seeking to use a Certificate for a housing development in the Project Area from which the person was displaced.

c. A Displaced Person seeking to use a Certificate for a housing development either in a Project Area from which the person was not displaced or in any other part of the City.

4. The Certificate entitles the holder to preferential consideration only; the Residential Certificate Holder must still meet the otherwise applicable selection criteria on which the owner/agent shall make the final decision.

D. Exercising Certificate Opportunities.

1. As described in Section II.C.2 above, a Residential Certificate Holder has two opportunities to exercise a Certificate: once for rental or cooperative share opportunity and again for a homeownership opportunity. If the Residential Certificate Holder is successful in obtaining a unit through the use of the Certificate, he or she exercises (i.e., extinguishes) the right to use the Certificate for that particular type of housing, but may still use the certificate for a different tenure type.

a. In the case of a rental or cooperative share opportunity, to exercise a Residential Certificate means to secure successfully a tenancy in, or the purchase of a cooperative share in, an Agency-Assisted Housing Unit, as shown by the execution of a lease or other evidence of occupancy.

b. In the case of a homeownership opportunity, to exercise a Residential Certificate means to execute a deed and the closing of escrow for an Agency-Assisted Housing Unit.

2. A Residential G Certificate is exercised if the Agency provides the Residential Certificate Holder with affordable housing in an Agency-Assisted Housing Unit.

E. Application of Residential Certificate Program to a Particular Project.

The Agency shall require that developers and property managers of Agency-Assisted Housing Units extend preferences to Residential Certificate Holders upon initial occupancy of a housing project or upon the vacancy of previously-occupied units in the project. The terms and conditions by which the developer or property manager will implement these preferences shall be consistent with this Amended and Restated Program and shall appear in the affirmative marketing plan or similar documents for the project.

F. Duration of the Effectiveness of the Residential Certificate.

A Residential Certificate remains effective until the Residential Certificate Holder has completely exercised his or her Certificate as described in Section II. D; provided, however, that Certificates that have not been fully exercised shall be valid until the Successor Agency to the Redevelopment Agency of the City and County of San Francisco has completed and transferred to the City and County of San Francisco the last Agency-Assisted Housing Units authorized as an enforceable obligation under Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq.

III. BUSINESS CERTIFICATE OF PREFERENCE PROGRAM.

A. Purpose.

1. To give certain re-entry preferences in consideration for business opportunities to businesses displaced by Agency action or action on behalf of the Agency.

2. To implement, for those project areas without separately-adopted business re-entry policies,[10] statutory requirements under the Community Redevelopment Law (Health & Safety Code § 33339.5) requiring the Agency to extend reasonable preferences to persons who were engaged in business in a redevelopment project area to reenter in business within the redeveloped area if they otherwise meet the requirements prescribed by the redevelopment plan.

3. To supplement other rights and benefits that may be available to displaced businesses, such as relocation benefits under the Relocation Assistance and Property Acquisition Guidelines, 25 Cal. Code of Regulations, Sections 6000 et seq.

[10] Western Addition A-2, Hunters Point (Area A of the Bayview Hunters Point Redevelopment Project Area), and the Bayview Industrial Triangle Redevelopment Project Areas.

B. Definitions.

1. "Business Occupant" means: 1) the owner or renter of a building that was situated on real property in the Western Addition A-2, Hunters Point, or Bayview Industrial Triangle Redevelopment Project Areas and that was acquired by the Agency after the date of (i) the adoption of the redevelopment plans or (ii) the receipt of funds for acquisition of property for these project areas, whichever date occurred earlier; or 2) a tenant engaged in business in a building whose owner entered into an Owner Participation Agreement with the Agency to extensively rehabilitate the property and the tenant received the Agency's Notice of Displacement that was required under the then-applicable federal regulations. Acquisition by the Agency includes both purchase and acquisition by eminent domain/condemnation.

2. "Business Certificate of Preference Holder" means a Business Occupant who was engaged in business in a building at the time the Agency acquired the property. To be eligible for a Business Certificate of Preference, a property owner must have been the owner of record that executed the grant deed to the Agency or the owner of record in the eminent domain at the time the Agency acquired the property. If the property owner was a corporation, partnership or other legal entity, the Certificate will be listed in the corporation or the partnership's name. If there was more than one owner of record, only one certificate will be issued.

3. "Certificate" or "Certificate of Preference" is Agency documentation that a person or business is eligible for a preference described in this Program.

4. "Displaced Business" means a person who was a legal occupant of a building and who permanently moved his or her business from the property as a result of acquisition of the property (i) by the Agency, (ii) by a private entity under contract with or on behalf of the Agency, or (iii) as a result of receipt of a notice of intention to acquire by the Agency. Displaced business also includes a person who moves as a result of the rehabilitation, demolition, or other displacing activity that the Agency or any person having an agreement with or acting on behalf of the Agency undertakes of real property on which the person is in lawful occupancy. A Displaced Person may be an owner or a tenant in lawful occupancy of the property from which he/she was displaced.

C. Use of Business Certificates.

The Business Certificate Program applies only to the Western Addition A-2, Hunters Point, and Bayview Industrial Triangle Redevelopment Project Areas. Other redevelopment project areas have separate business re-entry and preference policies that implement Section 33339.5 of the California Health and Safety Code.[11]

1. Agency-Owned Property.

The Agency may offer property that it owns for purchase and development. The Agency selects developers of such parcels based on the extent to which the proposed development serves the needs of the Project Area and the City and County of San Francisco and satisfies the requirements of the request for proposals/ qualifications, if any. The Agency may extend preferences to Business Certificate Holders who were displaced from the project area in which the Agency-owned property is located. The major factors for evaluating proposals will include:

a. Economic feasibility of the proposal.

b. The financial capacity of the developer and the demonstrated ability of the development design team.

c. The ability of the developer to proceed expeditiously with development of the site.

d. Architectural quality and degree of compliance with design objectives of the offering.

e. Other factors included in the offering.

When the Agency determines that proposals from applicants with Business Certificates and from those without Business Certificates are substantially equivalent, the Agency shall give preference to the proposal associated with the Business Certificate.

2. Rehabilitated Structures.

In the event the Agency acquires structures for rehabilitation, the Agency may sell these structures to the Business Certificate Holder who has the highest qualified bid, who complies with the terms of offering, and who was displaced from the project area in which the rehabilitated structure was located; provided, however that these

[11] See List of Separately-Adopted Business Preference and Re-Entry Policies, attached as Exhibit 1.

Business Certificate Holders will not receive a preference in bidding on a residential rehabilitation offering unless there are at least two units and the property will be used to engage in business; and provided further that a Business Certificate of Preference Holder may not use priority to bid on rehabilitation offering if the intended use is for private residency.

3. Privately-Owned Commercial Space.

A Business Certificate only entitles the Business Certificate Holder who desires to rent business space from a private property owner to a preferential consideration if the space meets the requirements of the redevelopment plan and if the Agency has required the owner to provide a preference to Business Certificate Holders who were displaced from the project area in which the privately-owned commercial space is located. The owner of the business space makes the final determination on the business mix, rental rates and terms and conditions.

4. Priority of Business Certificates.

Business Certificate Holders have the above-described preferences; provided, however, that a redevelopment plan or Agency Commission action may change or eliminate the priority for a particular project area or project; and provided further that in situations where the Agency or private property owner receives applications from multiple Business Certificate Holders having equal qualifications, the Business Certificate Holder with the earliest date of displacement from the project area in which the business opportunity is located will receive priority.

D. Timing of Eligibility Determination.

When a Business Certificate is to be used for priority in preferential offerings, eligibility must be established and a certificate issued prior to the bid opening or the specified deadline for the development proposal.

E. Use of Business Certificates by Partnerships or Corporations.

1. A partnership or corporation in which a Business Certificate Holder has an ownership interest, may use the Certificate in the purchase of property provided:

a. The Business Certificate Holder owns outright, fifty-one percent (51%) or more of the partnership or corporation. If two or more Certificate Holders have an ownership interest in the partnership or corporation, the total percentages of ownership held by all the certificate holders must be at least 51%. In the event such partnership or corporation uses the certificate, each certificate holder, regardless of percentage of ownership, shall be deemed to have exercised his or her certificate.

b. The fifty-one percent (51%) or more ownership interest was not funded by a loan from the partnership, corporation, or any member or shareholder thereof and the Business Certificate Holder so declares in writing under penalty of perjury if required by the Agency.

c. The Business Certificate Holder must sign a non-collusion affidavit if persons other than Business Certificate Holders own the partnership or corporation.

d. The Business Certificate Holder shall not intend to sell his or her interest in the corporation or partnership at the time the Certificate is used and the Certificate Holder shall so declare in writing under penalty of perjury, if required by Agency.

e. The Business Certificate Holder shall not sell his or her interest in the corporation or partnership unless the Agency has issued a certificate of completion of new improvements and/or rehabilitation and the transfer or assignment complies with Agency anti-speculation restrictions or other conditions limiting transfer.

F. Limitations on Use of Certificate.

Business Certificate Holders may only use the Certificate. The Business Certificate of Preference cannot be used by any other person than the named recipient.

G. Exceptions to Preference.

The Agency may authorize an offering or commercial space that does <u>not</u> give priority to Certificate Holders, but the authorization must clearly state that the Agency will not require preferences to holders of Business Certificates. However, persons who have, or are eligible to have, a certificate and who are successful in responding to a special disposition offering, either individually, jointly, or as members of a partnership or corporation, will be deemed to have exercised their certificate if they hold the minimum percentage of ownership specified in the special disposition.

H. Duration of the effectiveness of the Certificate.

Business Certificates shall be valid until two years after the completion of the Project Area from which the business was displaced.

IV. APPLICATION FOR AND NON-TRANSFERABILITY OF CERTIFICATES.

Application for all Certificates of Preference must be made to the Agency. A Certificate is not transferable voluntarily, by inheritance, by operation of law, or otherwise. A Certificate applicant is not entitled to certificate priorities until a Certificate has actually been issued. When a Certificate is requested and proof of eligibility cannot be established by Agency records, the burden shall be upon the applicant to supply the Agency with the necessary documentation.

V. REVIEW AND APPEALS PROCEDURE.

A. Persons and Entities Entitled to Reconsideration ("Complainants"). A person or business who is denied a Certificate of Preference may seek reconsideration of the Agency's decision within thirty days of receipt of the Agency's written determination of denial by filing a written statement explaining the basis for the person's eligibility for a Certificate of Preference. If a person has not received a written determination from the Agency within a reasonable period of time following the filing of an application for a Certificate of Preference, that person may also file for a reconsideration under this Section.

B. Informal Settlement. The Agency shall schedule, within sixty (60) days of receipt of a request for reconsideration, an informal settlement meeting with the complainant to consider the request for reconsideration. At the meeting, the complainant shall personally present, to the Agency, any documentation or other information justifying the person's eligibility for a Certificate of Preference under these Rules. The purpose of the meeting is to discuss the matter informally and attempt to settle without an appellate hearing. The Agency will prepare a summary of such informal discussion (the "Summary Statement") no later than thirty (30) days from the date of the last meeting. The Summary Statement will specify the names of the participants, dates of meeting, the Agency's decision regarding the complainant's eligibility for a Certificate of Preference, and will specify the procedure by which an appellate hearing may be obtained if the complainant is not satisfied. The Summary Statement shall either be delivered personally to the complainant or sent by regular mail to the complainant's address or such other address as the complainant specifies.

C. Procedures to Obtain Administrative Review. A person that has received a Summary Statement affirming the Agency's denial of a Certificate of Preference may petition for administrative review ("Petitioner"). The Petitioner must submit a written request for administrative review to the Agency's Deputy Executive Director of Housing or his or her designee within fourteen (14) days from the date of the Summary ("Petition"). The Petition must provide the specific facts on which the complainant relies to establish eligibility for a Certificate of Preference.

D. Hearing Officer. A neutral hearing officer shall conduct the administrative review. The hearing officer may not be a person who approved the decision to deny the Certificate of Preference or a subordinate of that person. As of the date of these amended rules, the Agency intends to use the Administrative Law Judges of the San Francisco Residential Rent Stabilization and Arbitration Board to review these matters.

E. Scheduling of Hearing. The Hearing Officer shall hold the hearing within forty-five (45) days of the date of the filing of the Petition. The Agency shall ensure that written notice, by mail, of the date, time and place of the hearing is given at least ten (10) days prior to the date of the hearing. This notice shall also include these procedures governing the hearing.

F. Postponements.

(a) The Hearing Officer may grant a postponement of a hearing only for good cause and in the interest of justice.

(b) "Good cause" shall include, but is not limited, to the following:

(1) the illness of a party, an attorney or other authorized representative of a party, or a material witness of a party;

(2) verified travel outside of San Francisco scheduled before the receipt of notice of the hearing; or,

(3) any other reason which makes it impractical to appear on the scheduled date due to unforeseen circumstances or verified pre-arranged plans which cannot be changed. Mere inconvenience or difficulty in appearing shall not constitute "good cause."

(c) Parties may agree to a postponement at any time. Where the parties have agreed to a postponement, the Hearing Officer shall be notified in writing at the earliest date possible.

(d) Requests for postponement of a hearing must be made in writing at the earliest date possible, with supporting documentation attached. The person requesting a postponement should notify the other parties of the request and provide them with any supporting documentation.

G. Absence of Parties.

If a party fails to appear at a properly noticed hearing or fails to file a written excuse for non-appearance prior to a properly noticed hearing, the Hearing Officer may, as appropriate: continue the case, decide the case on the record in accordance with these rules; dismiss the case with prejudice; or proceed to a hearing on the merits.

H. Conduct of Hearing.

(a) Oral evidence shall be taken only on oath or affirmation.

(b) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called him or her to testify; and to rebut the evidence against him or her. If a party does not testify in his or her own behalf he or she may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses, except as hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. In the absence of a timely and proper objection, relevant hearsay evidence is admissible for all purposes. Proffered hearsay evidence to which timely and proper objection is made is admissible for all purposes, including as the sole support for a finding, if (a) it would otherwise be admissible under the rules of evidence applicable in a civil action or (b) the Hearing Officer determines, in his or her discretion, that, based on all the circumstances, it is sufficiently reliable and trustworthy. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

I. Burden of Proof. In any proceeding before the Hearing Officer, the Petitioner shall have the burden of proving that he or she meets the eligibility requirements for a Certificate of Preference under these Rules.

J. Stipulations. The parties, by stipulation in writing filed with the Hearing Officer, may agree upon the facts or any portion thereof involved in the hearing. The parties may also stipulate as to the testimony that would be given by a witness if the witness were present. The Hearing Officer may require additional evidence on any matter covered by stipulation.

K. Record of Proceedings. All proceedings before the Hearing Officer shall be recorded by tape or other mechanical means.

L. Personal Appearances and Representation by Agent. In any proceeding before the Hearing Officer, each party may appear personally or by an attorney, or by a representative designated in writing by the party, other than an attorney.

M. Decisions of the Hearing Officer. The Hearing Officer shall make written findings of fact and a written decision as to whether the Petitioner is eligible for a Certificate of Preference. A copy of the decision will be sent to the Petitioner and the Agency.

(a) The decision of the Hearing Officer to issue a Certificate of Preference shall be binding on the Agency, and the Agency shall promptly issue a Certificate of Preference consistent with the Hearing Officer's decision.

(b) A decision by the Hearing Officer that the Petitioner is not entitled to a Certificate of Preference shall not affect any rights the Petitioner may have to a trial de novo or judicial review in any judicial proceedings which may thereafter be brought in the matter.

VI. OUTREACH.

The Agency shall provide outreach to persons who are potentially eligible Residential Certificate Holders. The Agency shall also provide education to Residential Certificate Holders on how to exercise a Certificate and information on location of the opportunities to exercise a Certificate for rental or ownership housing.

VII. REPORTING.

Agency staff shall annually report to the Agency Commission on the status of the Residential Certificate Program including but not limited to the number of outstanding certificates, the number of Residential Certificate Holders for which the Agency currently has addresses, the number of new certificates issued, and the number of Residential Certificate Holders exercised in the past 12 months to purchase or rent new housing.

VIII. PRIOR CERTIFICATES; EFFECTIVE DATE OF PROGRAM.

A. All non-exercised, validly issued Certificates issued prior to the effective date of this program shall be honored. However, this Amended and Restated Program shall govern the manner of exercising and prioritizing.

B. The effective date of this Amended and Restated Program, as amended is January 1, 2021.

IX. AMENDMENTS TO CERTIFICATE PROGRAM.

The Agency Commission or the Executive Director may amend, from time to time, this Amended and Restated Certificate Program.

LIST OF SEPARATELY-ADOPTED BUSINESS PREFERENCE AND RE-ENTRY POLICIES

Business Occupant Re-Entry Policy, Bayview Hunters Point Redevelopment Project, Agency Resolution No. 34-2006 (March 7, 2006);

Rules Governing Participation by Property Owners and the Extension of Reasonable Preferences to Business Occupants in the Transbay Redevelopment Project, Agency Resolution No. 17-2005 (Jan. 25, 2005);

Amended Rules Governing Participation by Property Owners and the Extension of Reasonable Preferences to Business occupants for the South of Market Redevelopment Project, Agency Resolution No. 150-2005 (Oct. 4, 2005);

Business Reentry Preference Program for the Mission Bay North Redevelopment Project Area, Agency Resolution No. 187-98 (Sept. 17, 1998);

Business Reentry Preference Program for the Mission Bay South Redevelopment Project Area, Agency Resolution No. 192-98 (Sept. 17, 1998);

Business Occupant Re-Entry Preference Program, Hunters Point Shipyard Redevelopment Project, Agency Resolution No. 93-97 (June 17, 1997);

Property owner and occupant re-entry preference program for the Rincon Point-South Beach Redevelopment Project Area, Agency Resolution No. 330-1980 (Oct. 28, 1980);

Rules for Business Preference and Reentry for the Butchertown Redevelopment Project ("India Basin"), Agency Resolution No. 238-1968 (Dec. 10, 1968)

Special Assistance Available to Businesses and Industries and Business Preference Rules for the Yerba Buena Center Redevelopment Project Area D-1, Agency Resolution No. 108-1965 (Aug. 17, 1965)

Attachment #21: OCII Insurance Requirements

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Developer must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII.

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

Insurance Type	Coverage Amount (Minimum)	Applicable Parties	Endorsement or Certificate Required
Commercial General Liability (see Section B.1)	$1,000,000 per occurrence/ $2,000,000 aggregate*	Developer's design and professional contractors; and Developer (prior to start of construction)	Additional insured (see Section G) Completed Operations Coverage endorsement (on construction stage policy) (see Section G)
	$10,000,000 per occurrence/ $10,000,000 aggregate*	Developer (upon construction start), general contractor, and subcontractors to the general contractor	
Automobile Liability (see Section B.2)	$1,000,000 per occurrence*	Developer and Developer's contractors	Additional insured (see Section G)
	$10,000,000 per accident*	Upon construction start – general contractor and subcontractors to the general contractor	
Worker's Compensation and Employer's Liability (see Section B.3)	As per statute for Workers Comp; $1,000,000 per accident; $1,000,000 per employee; and in aggregate for bodily injury by disease as respects Employers Liability*	Developer and Developer's contractors	Waiver of subrogation
Professional Liability (see Section B.4)	$2,000,000 per claim/ $2,000,000 aggregate	Developer if engaged in any eligible design-related activities; and Developer's design and professional contractors	None
Crime/Dishonesty (see Section B.5)	$1,000,000 per loss	Developer	Loss payee endorsement
Pollution Liability/Asbestos –	$1,000,000 per claim/ $2,000,000 aggregate	Developer or Developer's construction contractor(s)	Additional insured (see Section G)

Insurance Type	Coverage Amount (Minimum)	Applicable Parties	Endorsement or Certificate Required
During Construction (see Section B.6)			
Builder's Risk – During Construction (see Section B.7a)	100% of replacement value	Developer	Loss payee endorsement
Property Insurance – After Construction Completion (see Section B.7b)	100% of replacement value	Developer or Developer's property manager	Loss payee endorsement
Performance and Payment Bonds (see Section B.8)	100% of contract value	Developer's construction contractors	OCII and Developer named as dual obligees

** Umbrella, excess liability policy, or owner controlled insurance program (OCIP) may be used to meet limits (see Section D)*

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

1) <u>Commercial General Liability</u> coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Limits set forth below, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; broad form property damage; explosion, collapse and underground (XCU); products and completed operations. Umbrella, Excess Liability, or an Owner Controlled Insurance Policy may be used to meet the terms of this section.

a. Before the start of demolition/construction if the Site is unoccupied, Developer and Developer's Contractors will maintain coverage of not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit. These limit requirements apply to Developer's design and professional contractors throughout the required coverage period;

b. During demolition/construction and occupancy of the Site and ongoing operations of the Project, Developer and its Construction Contractors and/or Property Manager will maintain coverage of not less than Ten Million Dollars ($10,000,000) combined single limit per occurrence and Ten Million Dollars ($10,000,000) annual aggregate limit.
For subcontractors to the Construction General Contractor and the Property Manager the Developer, in consultation with the Construction General Contractor and the Property Manager, as appropriate, are required to assess the risks associated with such contractors and, with the authorization of the Developer, determine and verify the appropriate level of coverage provided by the subcontractor or consultant;

c. The construction period general liability policy must include completed operations coverage for a minimum of ten (10) years. Developer must provide a completed operations coverage endorsement (form CG 20 37 or equivalent) and OCII must be named as an additional insured pursuant Section G below.

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

   For construction operations, Developer's Contractor will maintain coverage of not less than Ten Million Dollars ($10,000,000) per accident for bodily injury and property damage, combined single limit. For subcontractors to the Construction General Contractor and the Developer, the Construction General Contractor, is required to assess the risks associated with such contractors and, with the authorization of the Developer, determine and verify the appropriate level of automobile liability coverage provided by the subcontractor or consultant.

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

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

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

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

   Application of Crime Insurance Proceeds. Developer shall promptly notify OCII of any claim under the required Crime Insurance Policy. OCII may retain from the proceeds of the required Crime Insurance Policy, a sufficient amount of the proceeds to pay the Funding Amount, if any, and shall pay the balance to Developer. For the avoidance of doubt, OCII shall have no right or claim to the proceeds of the required Crime Insurance Policy in excess of the Funding Amount.

6) Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than One Million Dollars ($1,000,000) per claim or occurrence and Two Million Dollars ($2,000,000) aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Developer's construction contractor to maintain these minimum limits for no less than three (3) years beyond completion of the Project.

7) Property Insurance

   a. Builder's Risk Insurance during the course of any construction, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and OCII property in the care, custody and control of Developer or its contractor, including coverage in transit and storage off-site, with a deductible not to exceed Fifty Thousand Dollars ($50,000) each loss, including OCII as loss payee. Builder's Risk must be maintained by the Developer or the Developer must cause its general contractor to maintain this insurance.

   b. Property Insurance after completion of construction, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, and including boiler and machinery insurance, for one hundred percent (100%) of the replacement value of all furnishings, fixtures, equipment, improvements, alterations and property of every kind located on or appurtenant to the Site, including coverage for loss of rental income due to an insured peril for twelve (12) months, with a deductible not to exceed Twenty Five Thousand Dollars ($25,000) each loss, including OCII as a loss payee. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us").

8) Performance and Payment Bonds for eligible construction contractors during construction and/or rehabilitation, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Developer as dual obligees, or other completion security approved by OCII in its sole discretion. OCII has approved issuance of a Completion Guaranty by an affiliate of Developer to Developer's institutional lender as completion security.

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

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

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

F. General Requirements.

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

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

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

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

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

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

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

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

1) Identify the following as the certificate holder:

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

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

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

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

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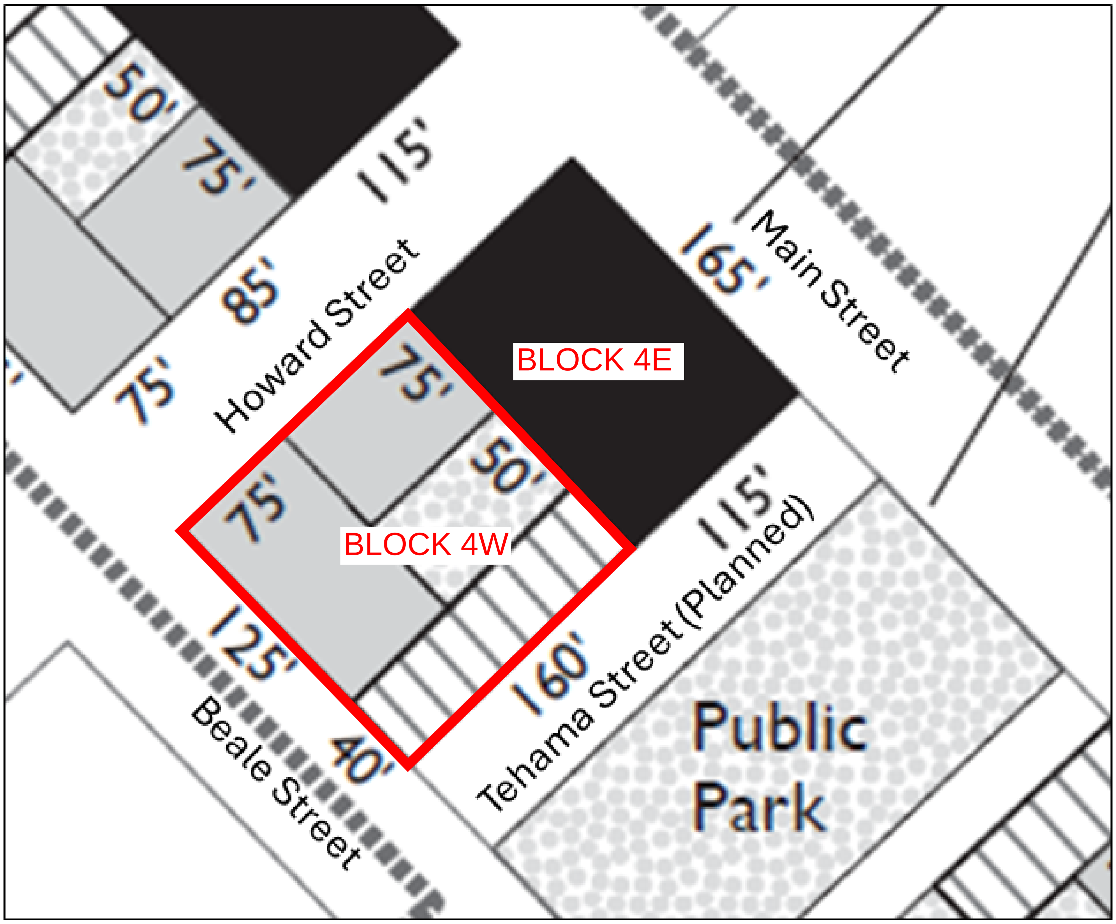
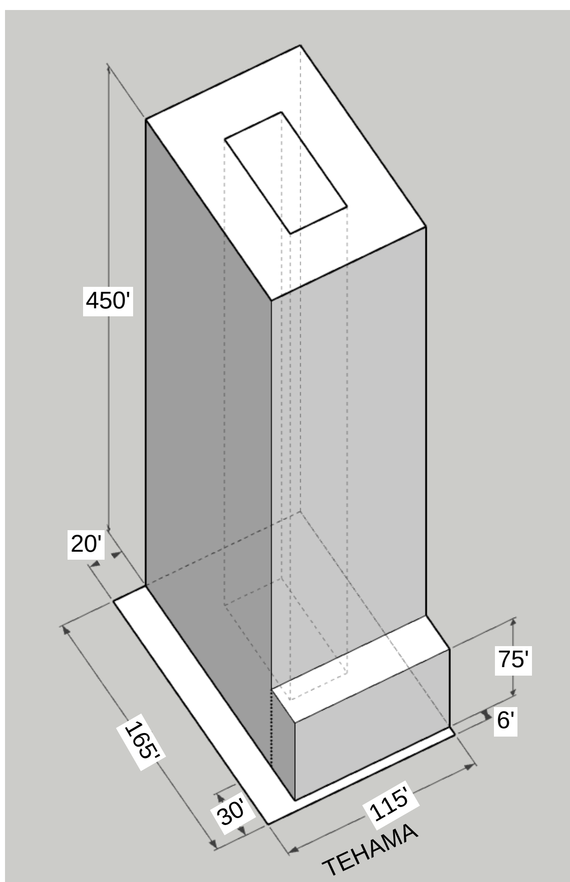
ATTACHMENT 22
BLOCK 4W & 4E SITE PLAN & MARKET-RATE TOWER EXTRUSION

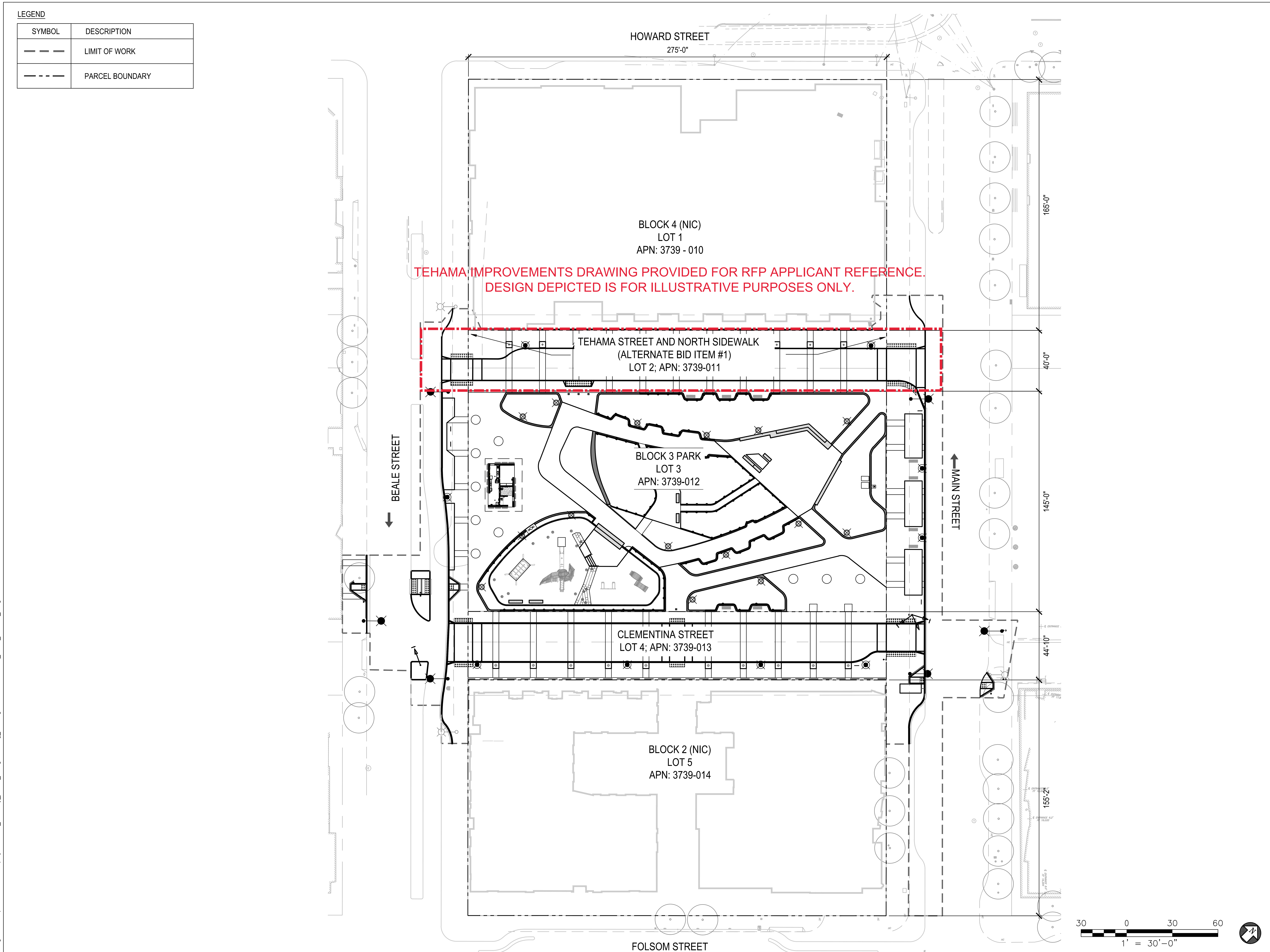


BLOCK 4W & 4E SITE PLAN



BLOCK 4E MARKET-RATE TOWER EXTRUSION

Attachment 23



Drawing name: \\dpw.ci.sf.ca.us\boe\projects\1099i_transbay_park\2_Design\working_drawings\ALA\Sheets\1099i_G-0.2_SCOPE_.dwg Plotted on: Feb 06, 2024 - 7:22am

BUILDING DESIGN AND CONSTRUCTION DIVISION

BUREAU OF LANDSCAPE ARCHITECTURE

SAN FRANCISCO PUBLIC WORKS

Ron Alameida - City Architect

Jennifer Cooper - Bureau Manager

49 South Van Ness, San Francisco, CA 94103
Phone (628) 271-2862

Project

Transbay Block 3 Park and Streetscape Improvement Project

250 Main Street

Consultant

Bureau Mgr.

Section Mgr.

BID SET

01/19/2024

No.	Date	Revisions

PM	KO
Proj. L.Arch.	LH
Drawn	JH/DC
Checked	JC

LICENSED LANDSCAPE ARCHITECT ELIZABETH HIRSCH 4306 STATE OF CALIFORNIA

Drawing Title

PARCEL BOUNDARY REFERENCE PLAN

Sheet No.

G0.2

Scale: AS NOTED

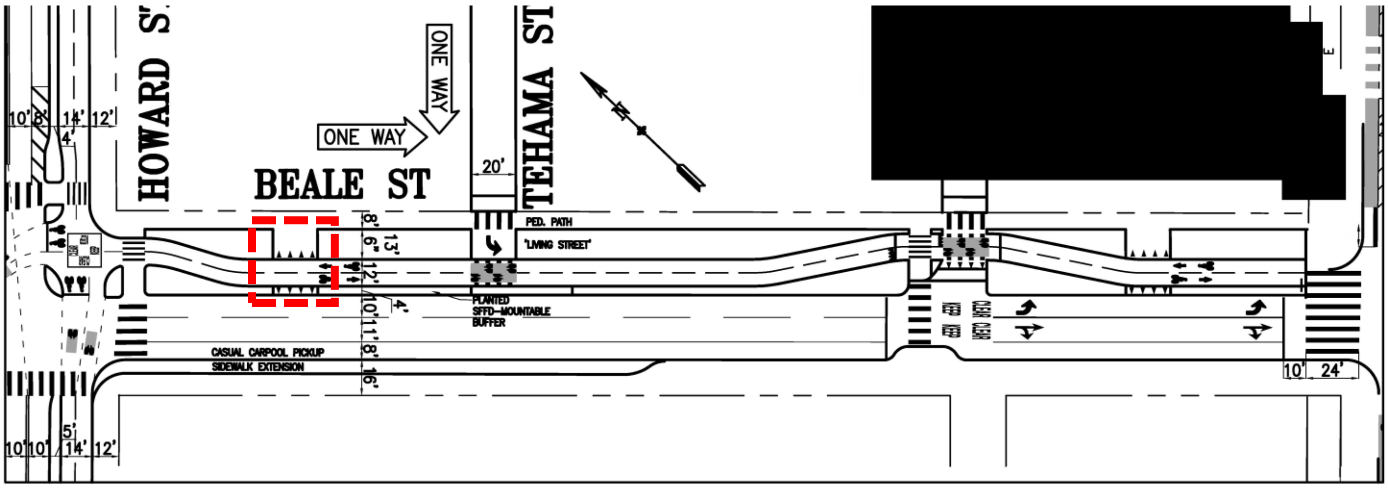
Project No.

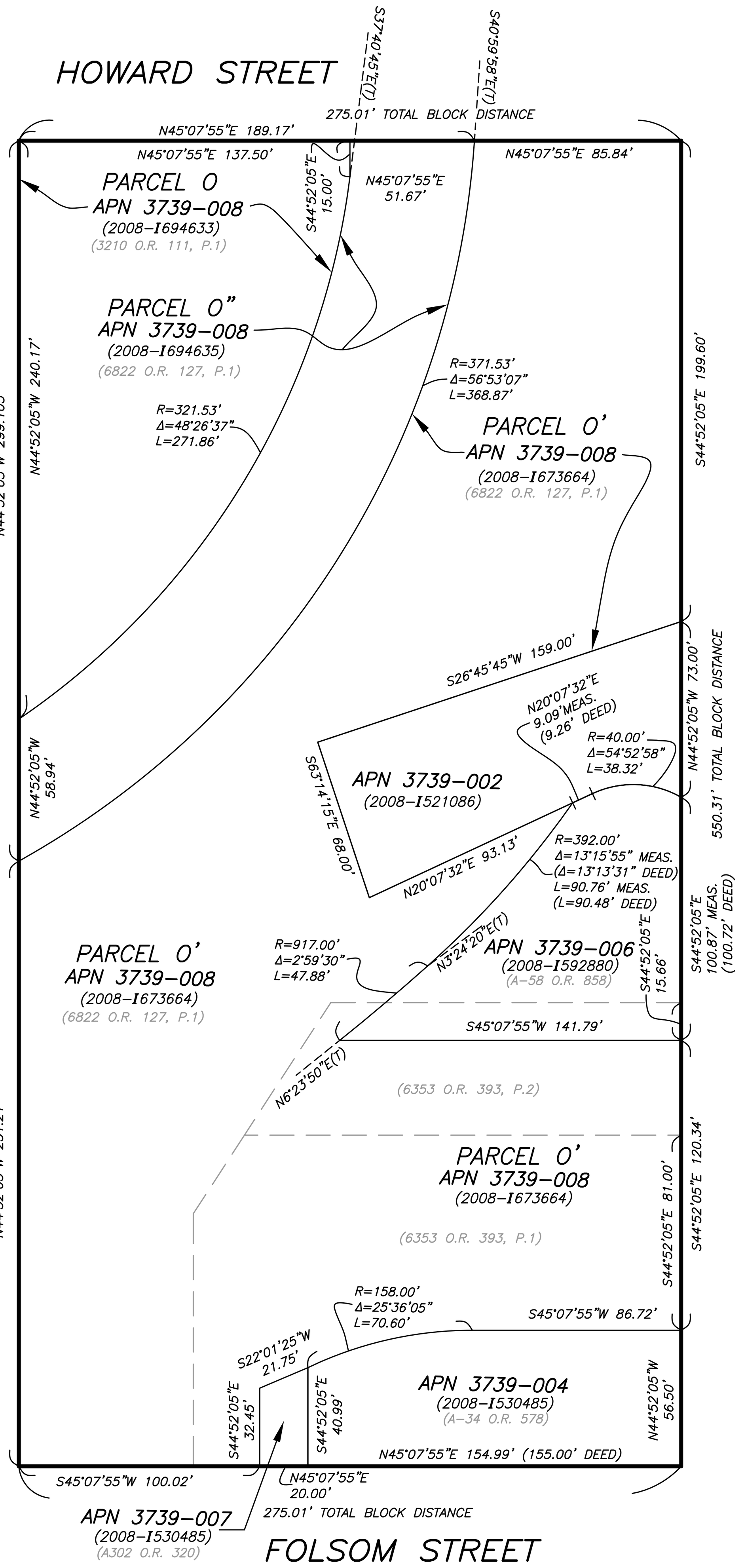
1099I

Original Sheet Size: 22"x34"

Attachment 24

Beale Street Cycle Track drawing provided for RFP Applicant Reference. Anticipated curb cut providing loading/vehicular access to Block 4W is outlined in red. ~~Beale Street design is subject to change.~~



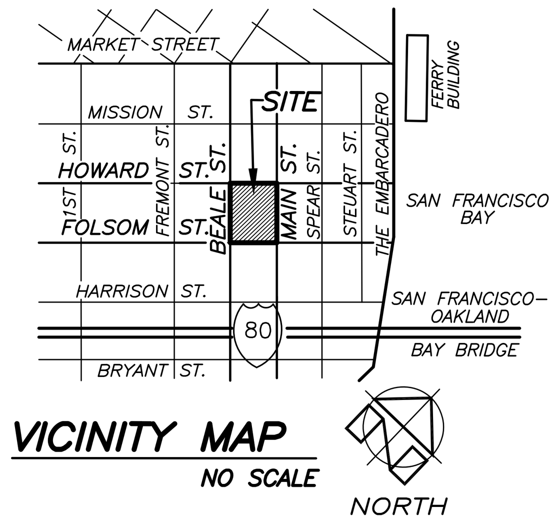


BOUNDARY DETAIL

1"=50'

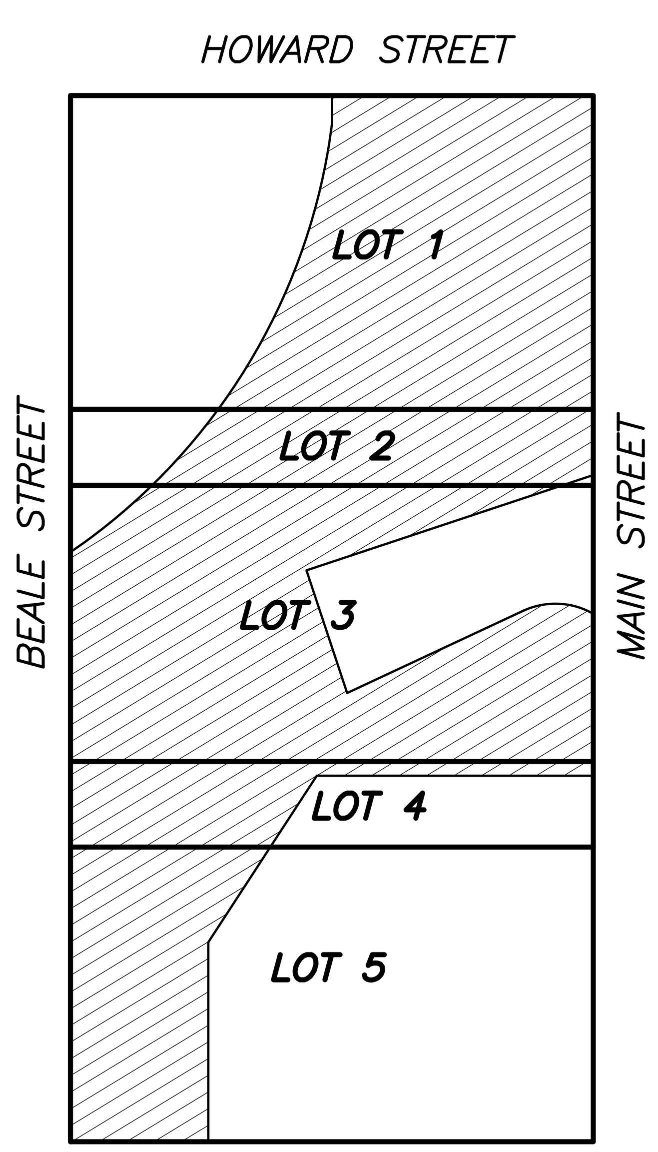
NOTE: THE SOUTHEASTERLY LINE OF HOWARD STREET IS TAKEN TO BE N45°07'55"E FOR THE ABOVE BOUNDARY DETAIL TO REFLECT BEARINGS WITHIN THE VESTING DEEDS.

0 25 50 100
GRAPHIC SCALE



VICINITY MAP

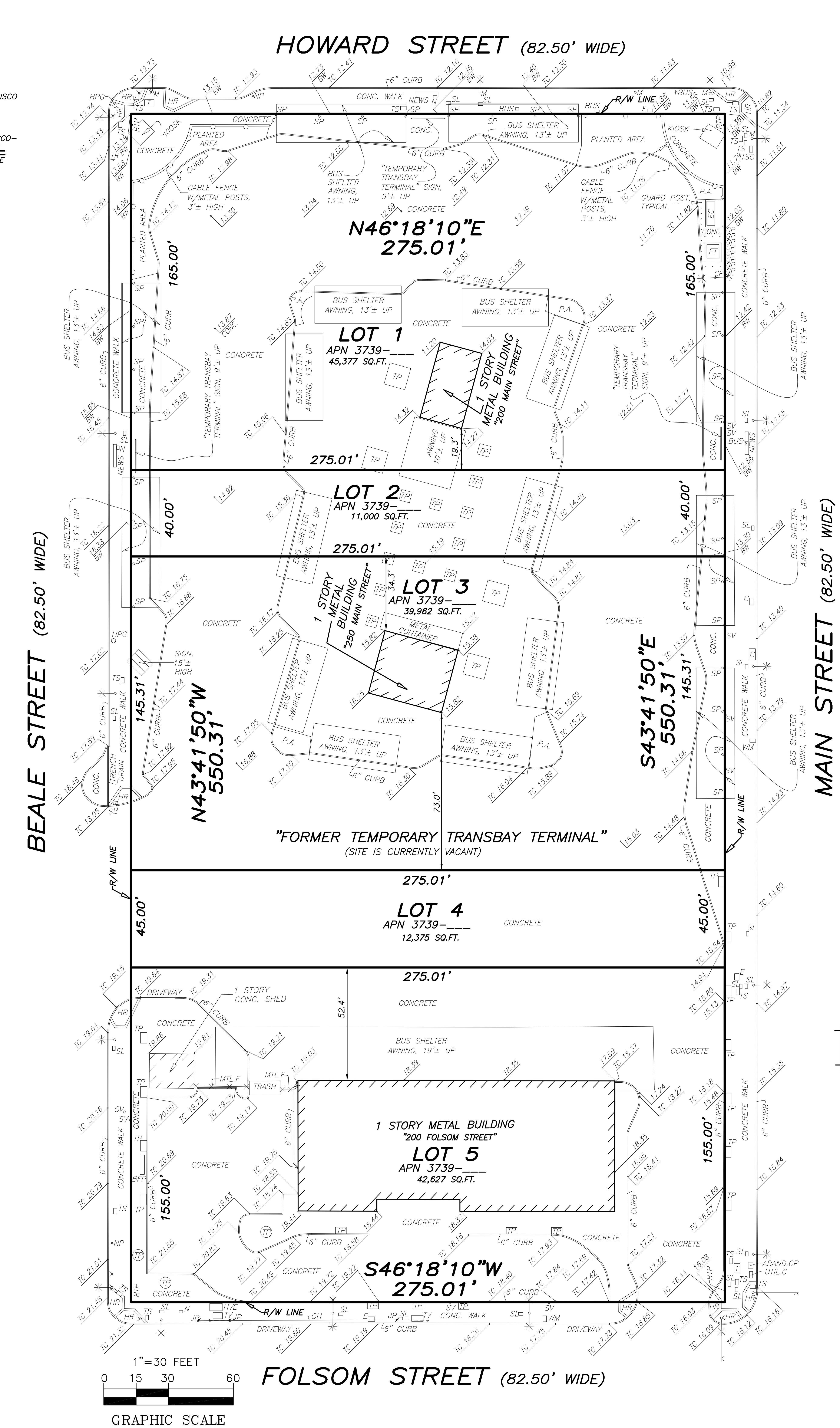
NO SCALE



MINERAL RIGHTS DETAIL

NO SCALE

NOTE: THE TITLE AND EXCLUSIVE RIGHT TO ALL MINERALS WERE RESERVED IN THE HATCHED AREA ABOVE BY THE SOUTHERN PACIFIC COMPANY IN THAT CERTAIN DOCUMENT RECORDED APRIL 10, 1956 IN BOOK 6822, PAGE 127, OFFICIAL RECORDS. SEE SAID DOCUMENT FOR COMPLETE DETAILS.



NORTH

LEGEND

R/W RIGHT OF WAY
O.R. OFFICIAL RECORDS
(T) TANGENT BEARING
APN ASSESSOR'S PARCEL NO.
CONC. CONCRETE
P.A. PLANTED AREA
HR HANDICAP RAMP
TC TOP OF CURB
BW BACK OF WALK
MTL.F METAL FENCE
E ELECTRIC PULLBOX
ET ELECTRIC TRANSFORMER ATOP CONCRETE PAD
EC ELECTRIC CABINET ATOP CONCRETE PAD
YARD LIGHT
ELECTROLIER
M ELECTROLIER & MUNI GUY POLE
TRAFFIC SIGNAL
TRAFFIC SIGNAL
ELECTROLIER & TRAFFIC SIGNALS
M ELECTROLIER, TRAFFIC SIGNAL & MUNI GUY POLE
M MUNI POLE
SL STREET LIGHT PULLBOX
TSC TRAFFIC SIGNAL CONTROL BOX
TS TRAFFIC SIGNAL PULLBOX
C COMMUNICATIONS PULLBOX
C COMMUNICATIONS PULLBOX
T TELEPHONE PULLBOX
HIGH PRESSURE FIRE HYDRANT
NP NO PARKING SIGN
TR TRAFFIC SIGN
BUS BUS SIGN
RTP RIGHT TO PASS PLAQUE
TP TREE PIT W/TREE
TP TREE PIT W/TREE
BUS BUS SHELTER PULLBOX
GP GUARD POST
SP SUPPORT POST
N PULLBOX MARKED "NEWS RACK"
NEWS NEWS PAPER STAND
SV SEWER VENT
GUY WIRE & ANCHOR
JP JOINT POLE
TV TELEVISION PULLBOX
PGE PG&E PULLBOX
HVE HIGH VOLTAGE ELECTRIC PULLBOX
GV GAS VALVE
HPG HIGH PRESSURE GAS VALVE
WM WATER METER
BFP BACK FLOW PREVENTER
TRASH TRASH ENCLOSURE
UTIL.C UTILITY CABINET
ABAND.CP ABANDONED CONCRETE PAD (FORMER UTILITY)
OH OVERHEAD ELECTRIC AND COMMUNICATION WIRES
PROPERTY LINE

SITE AREA = 151,341± SQ.FT.
OR 3.474± ACRES

SURVEY REFERENCE

CHICAGO TITLE COMPANY PRELIMINARY REPORT NOs. 15605868–156–TJK–JM UPDATED D, 15605869–156–TJK–JM UPDATE D, 15605870–156–TJK–JM UPDATE D, 15605871–156–TJK–JM UPDATE D, 15605872–156–TJK–JM UPDATE D, ALL DATED DECEMBER 6, 2019.

THE FOLLOWING ARE PERTINENT EXCEPTIONS TO TITLE WITHIN THE ABOVE REFERENCED PRELIMINARY REPORTS:

1. THAT CERTAIN DOCUMENT RECORDED APRIL 10, 1956 IN BOOK 6822, PAGE 127, OFFICIAL RECORDS. AFFECTS LOT 008.

2. "NOTICE OF SPECIAL RESTRICTIONS UNDER THE PLANNING CODE" RECORDED MAY 17, 2001, DOCUMENT NO. 2001–G948432, OFFICIAL RECORDS. AFFECTS LOT 006.

3. THAT CERTAIN DOCUMENT RECORDED AUGUST 4, 2006, DOCUMENT NO. 2006–I224836, OFFICIAL RECORDS. AFFECTS LOTS 002, 004, 006, 007 & 008.

4. "TRANSBAY REDEVELOPMENT PROJECT AREA DECLARATION OF RESTRICTIONS" RECORDED AUGUST 4, 2006, DOCUMENT NO. 2006–I224839, OFFICIAL RECORDS. AFFECTS LOTS 002, 004, 006, 007 & 008.

5. "STATEMENT OF EMINENT DOMAIN LIMITATIONS IN THE TRANSBAY REDEVELOPMENT PROJECT AREA" RECORDED DECEMBER 31, 2007, DOCUMENT NO. 2007–I512986, OFFICIAL RECORDS. AFFECTS LOTS 002, 004, 006, & 007.

6. "DIRECTOR'S DEED" RECORDED OCTOBER 31, 2008, DOCUMENT NO. 2008–I673663, OFFICIAL RECORDS. AFFECTS LOT 008.

7. "QUITCLAIM DEED" RECORDED OCTOBER 31, 2008, DOCUMENT NO. 2008–I673664, OFFICIAL RECORDS. AFFECTS LOT 008.

8. "DIRECTOR'S DEED" RECORDED DECEMBER 16, 2008, DOCUMENT NO. 2008–I694633, OFFICIAL RECORDS. AFFECTS LOT 008.

9. "DIRECTOR'S DEED" RECORDED DECEMBER 16, 2008, DOCUMENT NO. 2008–I694634, OFFICIAL RECORDS. AFFECTS LOT 008.

10. "QUITCLAIM DEED" RECORDED DECEMBER 16, 2008, DOCUMENT NO. 2008–I694635, OFFICIAL RECORDS. AFFECTS LOT 008.

11. "RELINQUISHMENT OF POWER OF TERMINATION" RECORDED JANUARY 22, 2015, DOCUMENT NO. 2015–K010430, OFFICIAL RECORDS. AFFECTS LOT 008.

12. "STATEMENT REGARDING AN AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA" RECORDED SEPTEMBER 23, 2015, DOCUMENT NO. 2015–K135871, OFFICIAL RECORDS. AFFECTS LOT 008.

13. "MEMORANDUM OF OPTION AGREEMENTS" RECORDED JUNE 22, 2016, DOCUMENT NO. 2016–K277787, OFFICIAL RECORDS. AFFECTS LOT 008.

14. "NOTICE OF EXERCISE OF POWER OF TERMINATION AND OBJECTION TO THE RECORDING OF A RELINQUISHMENT OF POWER OF TERMINATION" RECORDED SEPTEMBER 11, 2018, DOCUMENT NO. 2018–K671709, OFFICIAL RECORDS. AFFECTS LOT 008.

15. "NOTICE OF EXERCISE OF POWER OF TERMINATION AND OBJECTION TO THE RECORDING OF A RELINQUISHMENT OF POWER OF TERMINATION" RECORDED SEPTEMBER 11, 2018, DOCUMENT NO. 2018–K671710, OFFICIAL RECORDS. AFFECTS LOT 008.

BASIS OF SURVEY

RECORD OF SURVEY NO. 6428 FILED MAY 31, 2012 IN BOOK EE OF SURVEY MAPS, PAGES 19–27, SAN FRANCISCO COUNTY RECORDS.

BASIS OF BEARINGS

THE CITY MONUMENT LINE ON MAIN STREET IS TAKEN TO BE S43°41'50"E AS SHOWN ON RECORD OF SURVEY NO. 6428.

GENERAL NOTES

1. DETAILS NEAR PROPERTY LINES MAY NOT BE TO SCALE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
3. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
4. ON–SITE LIGHTS, SIGNS, BENCHES AND UTILITY BOXES ARE NOT SHOWN HEREON.

BENCHMARK

CITY OF SAN FRANCISCO BENCHMARK NO. BM11858, 1/2" DOMED STAINLESS STEEL ANCHOR SCREW WITH WASHER LOCATED AT THE NORTHEASTERLY CORNER OF FOLSOM AND BEALE STREETS, ELEVATION 21.84 FEET CCSF NAVD88 VERTICAL DATUM.

OWNER

TRANSBAY JOINT POWERS AUTHORITY, A JOINT POWERS AGENCY CREATED UNDER CALIFORNIA GOVERNMENT CODE SECTIONS 6500 ET SEQ.

SUBDIVIDER

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY.

BY: ______________________ 1/30/2020
DATE

DAVID B. RON
PLS NO. 8954
MARTIN M. RON ASSOCIATES, INC.
(415) 543–4500

PROFESSIONAL LAND SURVEYOR
DAVID B. RON
Exp. 09/30/20
PLS 8954
STATE OF CALIFORNIA

TENTATIVE TRANSFER MAP

FOR PURPOSES OF FINANCING AND/OR CONVEYANCING ONLY

A MERGER AND 5 LOT SUBDIVISION
BEING A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED JANUARY 23, 2008, DOCUMENT NO. 2008–I521086, OFFICIAL RECORDS, THAT CERTAIN GRANT DEED RECORDED FEBRUARY 1, 2008, DOCUMENT NO. 2008–I530485, OFFICIAL RECORDS, THAT CERTAIN GRANT DEED RECORDED JUNE 5, 2008, DOCUMENT NO. 2008–I592880, OFFICIAL RECORDS, THAT CERTAIN QUITCLAIM DEED RECORDED OCTOBER 31, 2008, DOCUMENT NO. 2008–I673664, OFFICIAL RECORDS, THAT CERTAIN DIRECTOR'S DEED RECORDED DECEMBER 16, 2008, DOCUMENT NO. 2008–I694633, OFFICIAL RECORDS AND THAT CERTAIN QUITCLAIM DEED RECORDED DECEMBER 16, 2008, DOCUMENT NO. 2008–I694635, OFFICIAL RECORDS.

BEING A PORTION OF 100 VARA BLOCK 331
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

MARTIN M. RON ASSOCIATES, INC.
Land Surveyors
859 Harrison Street, Suite 200
San Francisco California

JANUARY 2020

SHEET 1 OF 1

APNs 3739–002, 3739–004, 3739–006, 3739–007 & 3739–008	200 FOLSOM STREET 200 & 250 MAIN STREET

S–9156/DWG/S–9847 TENTATIVE FINAL TRANSFER MAP 2020

Attachment 2

Citywide Affordable Housing Loan Committee
Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller's Office of Public Finance

Transbay Block 4 West

$5,000,000 Funding Amount

Predevelopment Loan

Evaluation of Request for:	Predevelopment Loan Funding
Loan Committee Date:	March 6, 2026
Prepared By: MOHCD Asset Manager:	Jasmine Kuo, Development Specialist Carmen Otero
OCII Construction Manager:	Alicia Andrews
Sources and Amounts of New City Funds Recommended:	Transbay Jobs/Housing Linkage Fees
Sources and Amounts of Previous City Funds Committed:	None
Total Funds by Source:	$5,000,000: OCII Other Funds (non-RPTTF)
NOFA/Program/RFP/RFQ:	OCII RFP, May 8, 2025
FY 25/26 ROPS Line:	406
Applicant/Sponsor(s) Name:	Mercy Housing California ("Mercy") and Young Community Developers ("YCD")
Ultimate Borrower Entity	Transbay Block 4 West, LP
Sponsor's Project Manager	Sean Wils, Senior Project Manager

Project Summary

The Sponsors are requesting $5,000,000 in predevelopment financing for Transbay Block 4 West (the "Site" or "Block 4 West"). Block 4 West is a planned 314-unit mixed-use affordable rental housing development serving low-income families, with approximately 20% of units set aside to serve formerly homeless families, with operating expenses subsidized by the Local Operating Subsidy Program ("LOSP").

Block 4 West will be comprised of 80 one-bedroom, 154 two-bedroom, and 77 three-bedroom affordable units, as well as two two-bedroom manager's units and one three-bedroom manager's unit. Units will serve households at a wide range of income levels, with an average at or below 50% of Area Median Income as defined by the San Francisco Mayor's Office of Housing and Community Development ("MOHCD AMI" or "AMI"). In addition to residential units and resident-serving amenities, the Block 4 West development includes one ground floor commercial space (the residential and commercial together are the "Project").

The Project will be financed with 4% Low Income Housing Tax Credits and will seek funding from the California Department of Housing and Community Development's Affordable Housing and Sustainable Communities ("AHSC") program, as well as the Federal Home Loan Bank Affordable Housing Program ("AHP"). Financing applications will be submitted in 2027-2028 with construction expected to start in Q4 2028 and be completed by Q4 2030.

Project Description

Construction Type:	Type IA	Project Type:	New Construction
Number of Stories:	24	Lot Size (acres and sf):	0.6 acres / 26,400 sf*
Number of Units:	314	Architect:	Kennerly Architecture & Planning / SCB (joint venture)
Total Residential Area:	258,200 sf	General Contractor:	TBD
Total Commercial Area:	4,200 sf	Property Manager:	Mercy Housing Management Group
Total Building Area:	262,400 sf	Supervisor and District:	Sup. Dorsey – District 6
Landowner (Current):	OCII		
Total Development Cost (TDC):	$284,000,676	Total Acquisition Cost:	N/A

TDC/unit:	$904,461	TDC less Acquisition cost/unit:	$904,461
Loan Amount Requested:	$5,000,000	Request Amount / unit:	$15,924
HOME Funds?	No	Podium/Other Parking?	No
# of Elevators?	4		

**Lot size reflects over half of overall Transbay Block 4 site. Exact lot dimensions will be determined during predevelopment.*

PRINCIPAL DEVELOPMENT ISSUES

- **Construction Costs.** Although the estimated hard cost per unit is in line with comparable OCII/MOHCD projects, the estimated hard cost is high on a per square foot basis when compared to these same projects. The Sponsors will need to contain costs to ensure overall feasibility and to minimize the OCII subsidy; see Section 6.5.6.
- **Project Size.** As a 24-story building with over 300 units on a constrained site, the Project will be the largest single-building development in the Sponsors' portfolio and significantly larger than any development in MOHCD/OCII's portfolio as well. The Sponsors will need to carefully evaluate their proposed unit sizes, unit and bedroom counts, management plan, services plan, and operations and maintenance plan to ensure long-term viability. In addition, given the scale of the Project, the financing plan faces heightened uncertainty, including sensitivity to tax credit pricing, interest rates, and competitive statewide funding sources. OCII staff will require ongoing monitoring and revisions to ensure the Project remains financially feasible as predevelopment advances; see Sections 5.2, 7.3 and 8.1.
- **LOSP.** 63 Permanent Supportive Housing ("PSH") units subsidized by LOSP are currently planned for the Project, however, the inclusion of these PSH units is subject to the availability of LOSP or a comparable rental or operating subsidy. If LOSP is not available for this project, the Sponsors will need to evaluate how the removal of PSH units will impact their funding application scoring; see Sections 7.2 and 8.3.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD/OCII	$5,000,000	$15,924	3 yrs @ 3% Deferred	This Request
Total	**$5,000,000**	**$15,924**		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD/OCII	$103,607,502	$329,960	55 yrs @ 3% / Res Rec	Not Committed

HCD-AHSC	$35,000,000	$111,465	55 yrs @ 3% / Res Rec	Not Committed
Tax Exempt Perm Loan	$12,272,405	$39,084	40 yrs, 6.50% interest	Not Committed
Investor Equity	$124,620,769	$396,881	$0.90/credit, 4% credit rate	Not Committed
AHP	$2,000,000	$6,369	Grant	Not Committed
Deferred Developer Fee	$1,500,000	$4,777		Not Committed
Sponsor Equity	$5,000,000	$15,924		Not Committed
Total	**$284,000,676**	**$904,461**		

Permanent Uses	Amount	Per Unit	Per SF
Hard Costs	$245,195,649	$780,878	$934.43
Soft Costs	$28,172,818	$89,722	$107.37
Reserves	$2,707,210	$8,622	$10.32
Developer Costs	$7,925,000	$25,239	$30.20
Total	**$284,000,676**	**$904,461**	**$1,082.32**

WAIVERS REQUESTED

- **Developer Fee.** The requested fee at predevelopment is higher than the amount allowed under current MOHCD policy, but is consistent with TCAC's fee policy and is proposed in anticipation of an imminent updated MOHCD Developer Fee Policy. Additionally, the increased fee is appropriate for a project of this scale ensuring sufficient resources for the Sponsors to support project delivery; see Section 6.4.2.

- **Developer Fee Split.** The 80/20 developer fee split between the joint venture partners for the predevelopment period deviates from the 50/50 split that the current developer fee policy requires during predevelopment. The split is commensurate with the established responsibilities between Mercy and YCD and reflects Mercy's role as financial guarantor; See Section 1.3.2.

1. BACKGROUND

1.1 Project History Leading to This Request

Block 4 West is part of the approximately 40-acre Transbay Redevelopment Project Area ("Transbay" or "Project Area") that was administered by the former San Francisco Redevelopment Agency ("SFRA"). Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012 (California Health and Safety Code Section 34161 et seq (the "Redevelopment Dissolution Law")). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA's enforceable obligations. On April 15, 2013, the California Department of Finance determined "finally and conclusively" that the Transbay Implementation Agreement, Affordable Housing Program, and Tax Increment Sales Proceeds Pledge Agreement are enforceable obligations under Redevelopment Dissolution Law.

The Transbay Redevelopment Plan, established in 2005, is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority ("TJPA"), Caltrans, and for-profit and non-profit developers. The Project Area is divided into two zones: Zone 1 is implemented by OCII and Zone 2 is implemented by the San Francisco Planning Department. When completed, Transbay (including both Zone 1 and Zone 2) will include over 4,000 new residential units, a minimum of 35% of which are required by the Redevelopment Plan to be affordable ("State Affordability Requirement"), office and retail space, 9 acres of new parks, and significant transportation and streetscape improvements.

Within Zone 1, a total of 2,347 residential units have been completed (Blocks 1, 2 West, 6, 7, 8, 9, and 11a), 841 of which are affordable to low-income households. Another 184 affordable units are under construction at Block 2 East. Additional housing units are planned for Block 4 West (the subject of this evaluation), Block 4 East, and Block 12. The planned affordable units on Block 4 West are essential to meeting the State Affordability Requirement.

1.2 Applicable NOFA/RFQ/RFP

See Attachment E for Threshold Eligibility Requirements and Ranking Criteria

In May 2025, OCII issued a Request for Proposals ("RFP") seeking teams to develop, own, and operate 300-325 mixed-use affordable rental housing units, including units set-aside for formerly homeless households, at Transbay Block 4 West, and to develop and construct an adjacent segment of East Tehama Street ("Tehama Improvements") for subsequent acceptance by the City and County of San Francisco ("City"). OCII received two complete proposals by the July 31, 2025 deadline. The proposals were reviewed and scored by an eight-person interdisciplinary panel comprised of staff from OCII, Mayor's Office of Housing and Community Development ("MOHCD"), the Department of Homelessness and Supportive Housing ("HSH"), and a member of the Transbay Citizens Advisory Committee ("CAC"). Based on scoring, the evaluation panel recommended the development team led by Mercy and YCD. This recommendation was presented to OCII's Commission on Community Investment and Infrastructure on October 21, 2025.

1.3 Borrower/Grantee Profile

See Attachment B for Borrower Organization Background; Attachment C for Developer Resume; Attachment D for Asset Management Analysis

1.3.1 MOHCD/OCII Borrower

The borrower entity is Transbay Block 4 West, LP ("Borrower"). The Borrower's co-general partner is Young Community Developers. The managing general partner is Transbay Block 4 West, LLC with Mercy Housing California as its sole member/manager.

1.3.2 Joint Venture Partnership

The Sponsors have executed a Memorandum of Understanding ("MOU") that outlines their respective roles and responsibilities, summarized as follows:
Mercy:

- Lead housing development (master planning, entitlements, mapping, site control, programming and design, budgeting and securing financing, construction administration);
- Lead as commercial developer and asset manager for commercial space;
- Property management, asset management, and resident services coordination (including managing third-party case management for supportive housing households); and
- Lead SBE/LBE contracting and EOP compliance.

YCD:

- Rental housing counseling and other community services;
- Lead COP outreach and readiness; and
- Lead workforce development for construction and permanent jobs.

Both:

- Coordinate on consultant selection, contracting, and management of development team members; and
- Collaborate on community outreach.

The developer fee for the Project will be split 20% to YCD and 80% to Mercy, commensurate with the established responsibilities outlined in the MOU. OCII staff support this split. The partnership will expand YCD's knowledge of high-rise design, construction, and operations, however, YCD will not provide any financial guarantees.

1.3.3 Relevant Borrower Project Management Experience and Capacity

See Attachment C for Developer Resume

Sean Wils at Mercy is the Senior Project Manager and dedicates approximately 40% of his time to the Project. Sean is supported by Michael Kaplan (Associate Director of Real Estate Development) and Ramie Dare (Director of Real Estate).

Robert Abbott at YCD is the Project Manager and dedicates approximately 30% of his time to the Project. Jackson Smith is the Assistant Project Manager and dedicates approximately 30% of his time to Block 4 West. Robert and Jackson are supported by Zachary Weisenburger (Policy Analyst) and Monica Almendral (Director of Housing).

1.3.4 Current MOHCD Projects Underway

Below is a list of projects that developers have currently underway with MOHCD and OCII.

Name/Address of Project	Project Status	Notes
Transbay Block 2E	Construction	Mercy is developer, 100% affordable project
1939 Market	Construction expected to begin Q1 2027	Mercy is developer, 100% affordable project
249 Pennsylvania	Predevelopment	YCD is co-developer, 100% affordable project
650 Divisadero	Construction expected to begin Q4 2026	YCD is co-developer, 100% affordable project

1.3.5 Past Performance

City Audits/Performance plans

Mercy and YCD hold numerous contracts with MOHCD across multiple strategies (housing place-based services, HIV services, eviction prevention & housing stability, RAD and HOPE SF). They are committed to meeting their deliverables and setting realistic goals. Deep community engagement is core to their approach. They are very responsive to both community, funders, and each other. No issues have been identified for either Sponsor.

Compliance with MOHCD Processes

Marketing: One of the primary challenges observed is the organizational structure of Mercy's team. The marketing and compliance staff are based outside California, while the project managers and property managers are local. This separation has created internal barriers to collaboration, as the teams do not consistently work cohesively. As a result, the City often finds itself acting as an intermediary to facilitate communication and resolve issues. This dynamic can slow decision-making and impact overall efficiency, highlighting the need for improved internal coordination and streamlined processes. Despite these challenges, the MOHCD marketing team notes that the Mercy marketing staff works closely with MOHCD and remains highly cooperative in addressing and resolving issues effectively.

Compliance concerns were identified at 600 7th Street and The Kelsey following post-marketing activities. This resulted in significant corrective actions during lease up. Additionally, inequitable practices were noted in unit designation and residential selection policies at Transbay Block 2E (Lark Landing). These issues appear to stem from gaps in communication and coordination between Mercy's teams, underscoring the need for stronger internal alignment and oversight. Furthermore, Mercy's preference for implementing national streamlined policies, rather than adhering to local low-barrier leasing policies, runs counter to MOHCD practices and tenant selection policies, which prioritizes equitable access and housing opportunities for vulnerable populations.

For the recently marketed Lark Landing project, the marketing process involved resolving the challenges noted above and new issues unique to 100% affordable high-rise housing developments. Key concerns included the placement of LOSP units – particularly their stacking and adjacency on lower floors – and the equitable distribution of all AMI levels throughout the building. Because equal disbursement is a relatively new concept for 100% affordable development teams, extensive coordination between the Mercy team and OCII staff was required. Ultimately, consensus was reached. This experience underscores the critical need for local marketing and compliance staff to address these and other San Francisco-specific issues collaboratively and efficiently.

Mercy is working towards making adjustments, and MOHCD will be training Mercy's marketing and compliance staff in March 2026.

Asset Management: No compliance issues have been flagged for Mercy in the prior year AMR reporting and no complaints have been received to date. AMRs from Mercy have been submitted on time.

Tenant Demographics and Eviction Data: Mercy owns and operates 4,217 units of affordable housing in San Francisco. The chart below represents the total number of people (7,176) currently living in Mercy-owned properties, disaggregated by race and ethnicity. Currently, Mercy does not track move-out reasons and does not track evictions by race.

Mercy Housing resident responses to US Census definitions

Race	Ethnicity
Asian: 42%	Not-Hispanic or Latino: 77%
White: 19%	Hispanic or Latino: 19%
Black or African American: 16%	Member did not specify: 3%
Other: 15%	Blank: 1%
Member did not specify: 3%	
Native Hawaiian or Other Pacific Islander: 2%	
American Indian or Alaska Native: 2%	
Blank: 1%	

*Responses are from US Census definitions which cause overlap between race and ethnicity categories.

1.4 Proposed Property (Land and Improvements) Ownership Structure

OCII currently owns the Site. At the Project's construction loan closing, OCII will enter into a ground lease with Borrower who will own and operate the improvements. The ground lease base rent payment will be $15,000 per year, with Residual Rents subject to the MOHCD Ground Lease Guidelines. Following construction completion and the Project's conversion to permanent financing, per dissolution law, OCII will transfer the land and all related assets to MOHCD.

2. DEVELOPMENT TEAM

Consultant Type	Name	LBE
Architect	Kennerly Architecture & Planning	Y
Architect Consultants	TBD	TBD
JV/Other Architect	SCB	N
Associate Architect	TBD	TBD
Structural Engineer	TBD	TBD
Owner's Rep/Constr. Mgr.	TBD	TBD
General Contractor	TBD	TBD
Financial Consultant	CHPC	N
Legal	Gubb & Barshay	N
Property Manager	Mercy Housing Management Group	N
Services Provider	Episcopal Community Services and Mercy	N
Hazardous Consultant	TBD	TBD

2.1 Procurement Plan

Pursuant to OCII policy, the Project is subject to a 50% small business enterprise ("SBE") participation goal for professional services, construction subcontracting participation, and local workforce hiring. Sponsors are currently working with OCII's Contract Compliance Team to issue an RFP and Request for Qualifications ("RFQ") for consultants and professional services in early-March 2026. Consultants will be selected immediately after OCII Commission approval of a Loan Agreement and Exclusive Negotiations Agreement, anticipated in April 2026.

2.2 Opportunities for BIPOC-Led Organizations.

Sponsors have expressed a strong commitment to furthering racial equity throughout all phases of the Project. The Sponsors will implement the Workforce and Contracting Action Plan for the Project. Strategies to maximize small business and BIPOC-owned businesses will include targeted outreach and engagement, unbundled scopes, and strategic partnerships.

3. SITE DUE DILIGENCE

See Attachment E for site map with amenities

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Transbay Redevelopment Plan, Transbay Development Controls and Design Guidelines ("DCDG"), and the Transbay Design for Development ("Design for Development"). The DCDG allows a height of up to 50' along the southern portion of Block 4 West along East Tehama Street, up to 65' along Beale Street, and up to 85' along a portion of Howard Street. The DCDG also requires an open space parcel.
CEQA Applies?	CEQA clearance was obtained through the Environmental Impact Report (EIR) for the Transbay Redevelopment Plan (a program EIR).
NEPA Required?	No
Maximum units allowed by current zoning:	The maximum number of units on the site is based on form-based zoning. The number of units is limited only by what can fit within the site's height and bulk restrictions.
Soil type:	According to the Transbay EIR, the site is located on the Bay side of the historic circa 1848 shoreline. Soils on the site may generally be characterized by the presence of soft and

	compressible bay mud under the surficial fill placed when the area was reclaimed in the late 1800s or early 1900s. The depth of the sediment varies throughout the site. The Sponsor will assemble a consultant team and will perform further geotechnical analysis during predevelopment.
Environmental Review:	Phase I Environmental Site Assessment Report, 2020
Adjacent uses (North):	250 Howard (Block 5) – "Park Tower" is a 45-story (550') office tower completed in 2018. The building includes ground floor retail along Beale Street (coffee retailer, Blue Bottle).
Adjacent uses (South):	OCII will fund the design and construction of a future public park on Block 3. Block 3 and the Site are currently activated by an interim use featuring food and beverage vendors, small retail, pickleball, soccer, movie screenings, and community events.
Adjacent uses (East):	The remainder of Block 4 is zoned for a residential tower project ranging in height from 350' to 450'. The development program will be determined by OCII and is subject to change from the approved zoning.
Adjacent uses (West):	301 Howard – a 23-story class A office tower completed in the 1980s. The building features a mix of commercial tenants as well as a ground floor retail space at the corner of Howard and Beale (coffee and juice retailer, Joe & the Juice).
Neighborhood Amenities within 0.5 miles:	Grocery: Woodlands Market and Ferry Building Saturday Farmer's Market Pharmacy: Walgreens Parks: planning is underway for an approximately 1-acre park on Block 3 directly south of the site, Salesforce Park, and Rincon Park.
Public Transportation within 0.5 miles:	The Site is located one block from the Salesforce Transit Center, a regional hub for 11 transit systems, including multiple Muni bus lines. In addition, the site is two blocks from the Muni Metro station at The Embarcadero and Folsom Street and two blocks from the Embarcadero BART station.
Article 34:	Article 34 authority is needed and will be requested before the predevelopment loan is encumbered.

Article 38:	Not Exempt. The site is within the Air Pollutant Exposure Zone. The design will be subject to relevant guidelines and requirements.
Accessibility:	Project will provide at least 15% of tax credit units with mobility features (California Building Code 11B) and at least 10% of tax credit units will have communication features to be accessible for persons with hearing or visual disabilities. Adaptability requirements will be determined by the San Francisco Department of Building Inspection.
Green Building:	Per the RFP, improvements must meet San Francisco Building Code and Administrative Bulletin AB-093 and be constructed to the equivalent of a Green Point Rated standard of 125 or LEED Gold rating. In addition, OCII seeks to maximize the overall sustainability of the Project to the extent possible through the integrated use of "green" building elements, which may include natural ventilation, daylighting, water conservation, and use of resource-efficient and healthy building materials.
Recycled Water:	The Project falls within the boundaries of the SFPUC Designated Recycled Water Use Areas, but similar to MOHCD projects, will not be required to comply with the City's Recycled Water Ordinance or Reclaimed Water Use Ordinance Nos. 390-91 and 391-91.
Storm Water Management Plan Status:	Developments that disturb 5,000 square feet or more of the ground surface must comply with SFPUC Storm Water Design Guidelines and submit a Storm Water Control Plan to SFPUC for review. The Sponsors will meet with SFPUC during the predevelopment period.
Proposition I Notice	Proposition I is not applicable in OCII project areas.

3.1 Site Description Narrative

The Site is a portion of Block 4 (Assessor's Block 3739, Lot 010). The Site is a gently sloped, rectangular, approximately 26,400 square foot lot with frontages as follows: 160 feet along Howard Street and the planned extension of Tehama Street, and 165 feet along Beale Street and the planned property line for the adjacent eastern portion of Block 4 (Block 4 East).

Until 2019, the Site was used as a portion of the temporary Transbay Terminal and Greyhound station. These uses have been relocated to the Salesforce Transit Center. In 2021, OCII took ownership of the former temporary Transbay Terminal site. Since 2021, East Cut Landing Partners ("ECLP") has managed, maintained, and operated a publicly accessible interim activation program at the Site (the Crossing at East Cut, or the "Crossing") pursuant to a Permit to Enter and Agreement to Activate and Manage between OCII and ECLP (the "ECLP PTE").

3.2 Zoning Narrative

Land use restrictions and design guidelines in the Transbay Project Area are defined in the Transbay Redevelopment Plan, DCDG, and Design for Development. The Sponsors intend to work with OCII staff to amend the DCDG's height and bulk restrictions pending initial concept and schematic design.

3.3 Seismic, Probable Maximum Loss

Not applicable – new construction.

3.4 Local and or Federal Environmental Review

In April 2004, the Redevelopment Agency Commission certified the Environmental Impact Report (EIR) for the Transbay Redevelopment Plan. In January 2005, the Agency Commission adopted findings under CEQA, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. The Board of Supervisors, Planning Commission, and TJPA adopted similar findings. The Agency Commission, Board of Supervisors, and TJPA subsequently adopted nine addenda to the Final EIR.

Housing development at the Site is part of the project analyzed under the EIR and subsequent addenda. The Sponsor will be responsible for securing any additional environmental review approval under CEQA and NEPA, if necessary.

The Sponsor will work with OCII staff and other public agencies to ensure that the mitigation monitoring measures applicable to Block 4 West are appropriately documented and implemented. Also, the Sponsors will order an updated Phase I analysis and a Phase II analysis, as needed.

3.5 Environmental Issues

See above.

3.5.1 Phase I/II Site Assessment Status and Results

As part of due diligence in acquiring the site from TJPA, OCII commissioned a Phase I report from AEW Engineering dated November 3, 2020. The report identified that soil classified as Federal Class I RCRA and California Class I Non-RCRA hazardous waste is on the site. The soil was capped by the existing temporary terminal asphalt and terminal building but will need to be addressed as part of the site's development. The Sponsors will work with a consultant to determine whether an updated Phase I is needed. The Sponsors will seek a Phase II report during predevelopment.

3.5.2 Potential/Known Hazards

Soil contaminants currently exist in the Project Area and are assumed to exist at the site. The Sponsor will engage consultants to provide testing and analysis.

3.6 Green Building

See table above.

4. COMMUNITY SUPPORT

4.1 Prior Outreach

The Transbay Citizens Advisory Committee ("CAC") is comprised of 11 members who represent neighboring residents, property owners, and Citywide interests. The CAC is charged with providing advice to OCII on all matters pertaining to the planning and implementation of the Transbay Redevelopment Plan.

Staff presented the RFP to the CAC in February 2025 and OCII Commission in May 2025 prior to issuance of the RFP. A member of the CAC participated in the interview and evaluation panel for the developer team selection. Staff presented an update on the selection process and the recommended developer to the CAC on October 9, 2025, and OCII Commission on October 21, 2025. Staff presented the proposed exclusive negotiations agreement and predevelopment loan to the CAC on February 12, 2026. At each meeting, the CAC members were supportive of this development.

4.2 Future Outreach

The Sponsors will prepare a draft community outreach plan that calls for multiple initial meetings with groups of stakeholders, such as homeowners associations, business groups, and community organizations. There will be particular and significant emphasis on early and consistent outreach to Certificate of Preference ("COP") Holders (individuals who were displaced by actions of the former San Francisco Redevelopment Agency and verified descendants of individuals who were displaced by actions of the former San Francisco Redevelopment Agency) as well as counseling and financial training to prepare COP Holders for rental readiness and solicit feedback on AMI mix, building amenities, unit design, and other COP Holders' needs. In addition, the Sponsors will return to the

CAC for a schematic design workshop, a schematic design action item, and any updates on entitlement actions. Any design workshop will include the community at large.

5. DEVELOPMENT PLAN

5.1 Site Control

OCII currently holds and will continue to hold fee simple ownership of Block 4. Block 4 was transferred from TJPA to OCII in January 2021, along with Transbay Blocks 2 and 3 and the parcels planned for the extensions of Clementina and Tehama Streets. Pursuant to the terms of a purchase agreement between TJPA and OCII in August 2020, Block 4 was transferred at no cost to OCII.

The Sponsors will be responsible for pursuing a subdivision map to facilitate the Block 4 West project and determining appropriate boundaries for the two or more parcels to be created through the subdivision. At the close of construction financing, OCII will retain fee interest in the land and enter into a long-term ground lease with the Borrower. The Borrower will own the improvements.

5.2 Proposed Design

The initial concept massing features a 24-story (240’) building anchoring the corner of Howard Street and Beale Street, stepping down to approximately 73’ along the planned extension of Tehama Street for units with townhome-style frontages and stoops. A partial basement will provide utility functions and a maintenance shop. No resident vehicular parking is currently assumed, however, early in predevelopment, the Sponsors will study the costs and benefits of a full or partial underground parking level and they will collaborate with OCII to assess physical feasibility and identify creative financing strategies for underground parking on the Site.

The design team envisions a masonry material for the façade that will contrast with the glassy tower across Howard Street. The building is designed to foster resident community, reduce isolation, and support the greater Transbay neighborhood. Amenities include:

- Centralized lobby with package lockers and adjacent property management offices and resident services offices
- Ground floor multipurpose community room
- Central landscaped open space parcel
- Laundry/lounge rooms on every floor
- Eighth floor community room opening up to a roof terrace overlooking the planned Block 3 park
- Roof terrace on the 23rd floor
- 300 spaces of Class I bicycle parking
- A 4,200 sqft commercial space

Residential SF:	258,200
Commercial SF:	4,200
Building Total SF:	**262,400**

UNIT TYPES	Avg Unit SF - This Project	*CTCAC-Required Minimum SF*
1BR:	550	*450*
2BR:	850	*700*
3BR:	1100	*900*
Do all units meet CTCAC minimum SF?	Yes	

OCII staff also evaluated Sponsors' recommendation to develop Block 4 West as a single building rather than two, and concurs with this approach following extensive review. Constructing one building provides significant layout and operational efficiencies by eliminating duplicated building functions, including trash rooms, elevator banks, lobbies, loading, and major building systems, which reduces both construction and long-term operating costs. The Sponsors estimate that the single-building scheme provides approximately 6% hard cost savings, 12% soft cost savings, and up to 11% annual per-unit operating expense savings, allowing the Project to support additional permanent debt and reducing OCII's required gap contribution. This approach was contemplated in the original RFP, and recent federal changes lowering the tax-exempt bond financing threshold from 50% to 25% now make a single-building scheme feasible at this scale. OCII staff's recommendation is informed by multiple technical consultations, review of Mercy's detailed analysis, and study of comparable high-rise affordable housing precedents in New York City and San Diego. The final mix of unit sizes and bedroom counts may be revised during predevelopment to ensure the building can be operated effectively at this scale.

5.3 Interim Use Design/Scope/Costs

As noted in Section 3.1 above, ECLP currently operates a publicly accessible interim activation program at the Site and Block 3 pursuant to the ECLP PTE. During the predevelopment phase of the Project, the Sponsors may access the Site, with OCII's permission, to perform predevelopment activities including geotechnical or soil borings with reasonable notice to ECLP. At the close of construction financing for the Project, the ECLP PTE will terminate as to the Site. The interim activation program at Block 3 is expected to continue pursuant to the ECLP PTE, until construction of the planned Block 3 Park begins.

5.4 Relocation Design/Scope/Costs

N/A

5.5 Infrastructure Design/Scope/Costs

As previously noted, the Sponsors will be responsible for developing and constructing the Tehama Improvements for subsequent acceptance by the City to serve all of Block 4 and to ensure pedestrian and emergency vehicle access in time for initial occupancy of the Project. The Tehama Improvements will be funded by OCII separately from the Project. OCII previously engaged San Francisco Public Works ("SFPW") to design the Tehama Improvements in response to a previous development proposal for Block 4 which was planned to be entirely Type I construction. As currently designed, the Tehama Improvements include:

- Buildout of the new Tehama Street roadway extension, including sidewalks, lighting, street trees, and raised crosswalks at each corner of Tehama Street;
- Raised north-south pedestrian crossings at the Tehama intersections with Beale and Main Streets;
- Main Street water line relocation; and
- Sidewalk widening on Main Street adjacent to the eastern portion of Block 4 (Only the Tehama Street interface with Main Street will be widened when Tehama Street is constructed. The balance of the Main Street sidewalk will be widened when Block 4 East is developed).

Other improvements to serve the Project may be needed, as identified by the Sponsors in coordination with SFPW and other City agencies. The Sponsors will also be responsible for ensuring the Tehama Improvements meet City standards, closing out the construction phase and, upon completion, transferring the Tehama Improvements to the City.

5.6 Commercial Space Design/Scope/Costs – See Section 7.21 and 7.2.2 for Commercial Leasing Plan and Operating Budget

The preliminary design for the Project includes a ground floor commercial space at the corner of Howard Street and Beale Street, proposed as a single 4,200 square foot space for a grocery store with the potential to be subdivided into two commercial spaces if a single grocer does not occupy the entire space. Sizing of the commercial space will continue to be explored during predevelopment. The Sponsors propose to improve the commercial space to a warm shell condition and thus restrict it to a community-serving/public benefit use. Total commercial construction hard costs total $4,993,759 with warm shell costs currently estimated at $1,109,972.

The commercial development budget also includes a tenant improvement allowance, preliminarily sized at $1,000,000 ($238 per square foot). Because a tenant improvement allowance is not an eligible use of MOHCD/OCII funds under the Commercial Space Underwriting Guidelines, the Sponsor's requested tenant improvement allowance cannot be approved at this time. During the predevelopment period the Sponsors shall refine the commercial plan and budget and will seek to identify other potential tenant improvement sources such as programs offered through the Office of Economic and Workforce Development.

5.7 Service Space Design/Scope – See Section 8 for Services Plan and Budget

The Project design includes a services suite with four private offices totaling 734 square feet. In addition, amenity spaces throughout the building will be designed to support resident-serving programs including classes, events, and workshops. Programming and design of the spaces will be refined during predevelopment and reviewed with service and property management providers as well as OCII housing and design staff.

5.8 Communications Wiring and Internet Access Design/Scope

The Project will be required to comply with MOHCD Communications Systems Standards.

6. FINANCING PLAN

See Attachment H for Cost Comparison of City Investment in Other Housing Developments; Attachment I and Attachment J for Sources and Uses

6.1 Prior MOHCD/OCII Funding

There is no prior OCII funding. This is the Sponsor's first request for funding from OCII.

6.2 Disbursement Status

The proposed predevelopment loan is the only predevelopment source for the Project. No sums of money have been disbursed. Staff recommends that the Loan Committee approve payment of costs dating back to October 9, 2025, the date of the informational update staff provided to the CAC on the Evaluation Panel recommendation, so long as these previously incurred costs are deemed acceptable and correspond to the predevelopment budget attached herein.

6.3 Fulfillment of Loan Conditions

This is the Sponsor's first request for funding and therefore no prior loan conditions exist. For current loan conditions, please see Section 9.

6.4 Proposed Predevelopment Financing

6.4.1 Predevelopment Sources Evaluation Narrative

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

6.4.2 Predevelopment Uses Evaluation

The Sponsors are seeking a predevelopment loan of $5,000,000. The budget includes costs related to design through construction documents, design-build scopes, survey and engineering studies, permit fees, legal fees, and a portion of the developer fee. Due to the scale of the Project and the need to engage certain construction trades early for design-build scopes, the Sponsors anticipate they will need to request $5M additional predevelopment funds from OCII for hard costs and soft costs to complete predevelopment and bring the Project to construction start.

PREDEVELOPMENT BUDGET		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Architecture and Engineering Fees are within standards	Y	$2,070,000 is comparable, although lower than Mission Bay South Block 4E ($3,211,181)
Consultant and legal fees are reasonable	Y	
Entitlement fees are accurately estimated	Y	
Construction Management Fees are within standards	Y	$60,000, meets monthly MOHCD standard of $4,200/month (assuming 24 months to construction start)
Construction Costs are within standards	Y	For MEPF design-build scopes and switchgear deposit. $1,625,000 is comparable, although slightly lower than Transbay Block 2E ($2,066,307)
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10.6%
Developer Fee is per Guidelines	N	Waiver requested

Waivers are requested for the following predevelopment budget line items:

- Developer Fee – The predevelopment budget includes a $660,000 portion of the Project Management Fee available during predevelopment and construction. This exceeds the current maximum amount allowed per MOHCD policy, but is consistent with recent MOHCD practice and TCAC policy.

Staff support the granting of this waiver as it conforms to MOHCD's proposed Developer Fee Policy update outlined in a MOHCD memo dated January 16, 2026 to affordable housing developers and other stakeholders.

6.5 Potential Proposed Permanent Financing

Permanent financing is being presented to demonstrate the Project's overall feasibility and not intended to be presented for final approval at this time. The Project is expected to return for a final gap loan commitment in Q4 2027.

6.5.1 Permanent Sources Evaluation Narrative

The Borrower proposes to use the following sources to permanently finance the Project:

- **OCII Loan ($103,607,502)**: Approximately $330k per unit. Structured as a residual receipts loan with 3% interest.
- **Private mortgage ($12,272,405)**: Budget assumes a 6.50% interest rate with a 40-year amortization. The Sponsors will seek to maximize the permanent loan while maintaining anticipated AMI levels and ensuring an adequate debt service coverage ratio.
- **AHSC Loan ($35,000,000)**: The Sponsors will work with SFMTA and/or other transit agencies (through OCII/MOHCD) to identify a qualified transit project. The Sponsors plan to submit their financing application in 2027.
- **AHP ($2,000,000)**: Approximately $6,369 per unit. Budget assumes the maximum allowable award. Sponsors will evaluate Project scoring during each application period throughout predevelopment and apply as appropriate.
- **4% Tax Credit Equity ($124,620,769)**: Approximately $397k per unit. Budget assumes pricing at $0.90 per credit based on average pricing in late-2025 for other MOHCD projects. The investor solicitation and subsequent letter of intent will be subject to OCII review.
- **Sponsor Equity ($5,000,000) and Deferred Developer Fee ($1,500,000)**: Per MOHCD Underwriting Guidelines, Sponsors are meeting the minimum equity contribution and within MOHCD guidelines on Deferred Fee and Sponsor Equity. The Sponsors have indicated that it is too early to provide a definitive commitment to season the full $5M in Sponsor Equity at this stage of predevelopment. The Sponsors note that seasoning may be possible depending on future project refinements. OCII staff will continue to evaluate the requirement for seasoning as the permanent financing plan is refined and will require confirmation of the Sponsor's commitment prior to gap loan approval.
- **Tax-Exempt Construction Loan ($79,885,109)**: While not a permanent source, the budget assumes a tax-exempt construction loan for a 35-month term at a 7.00% interest rate. Construction interest reserve is $11,910,700. The Project compares similarly to the Transbay Block 2 East project, which requested gap financing with a $98M construction loan with an interest rate of 7.4% for 30 months.
- **Taxable Construction Loan ($77,940,031):** Same term and interest rate as the tax-exempt construction loan above with $10,750,282 in construction interest.

6.5.2 CDLAC Tax-Exempt Bond Application

The Sponsors have assessed preliminary CDLAC scoring for the Project as follows. The score will be reviewed and refined in anticipation of applications in February 2028. Compared to recent awards, this score, especially the tiebreaker, represents a highly competitive project, although this will need to be re-scored through predevelopment.

CDLAC Self-Score	
Opportunity Map Resource Level	Moderate-resource area
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	$80M
Total Self-Score (out of 120 points)	119
Tiebreaker Score	286

6.5.3 HOME Funds Narrative

N/A

6.5.4 Permanent Uses Evaluation

PERMANENT DEVELOPMENT BUDGET		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Construction Hard Cost per unit is within standards	Y	$780,878/unit. See narrative below for Project's CR analysis of hard cost.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5% Design Contingency is 3% Plan Check Contingency is 2% Bid Contingency is 3%
Architecture and Engineering Fees are within standards	Y	Fees are $6,925,000, which is approximately 3.2% of hard costs (excluding contingencies). This is comparable to high-rise projects MBS Block 4E (3.8%) and TB Block 2E (3.9%)

Construction Financing Costs are within standards	Y	Construction Financing Costs are $13,570,035
Construction Loan Interest is appropriately sized	Y	Tax-Exempt Construction Loan: $79,885,109 Tax-Exempt Construction Loan Interest: $11,910,700 Taxable Construction Loan: $77,940,031 Taxable Construction Loan Interest: $10,750,282 Construction Term: 35 months Interest Rate: 7.00%
MOHCD Gap Loan Origination Fee is accurately estimated	Y	MOHCD Origination Fee is $620,000
Construction Management Fees are within standards	Y	Fees are $250,000 and account for 35 months of construction plus predevelopment period of 24 months
Consultant and legal fees are reasonable	Y	$215,000 legal fees are comparable, although lower than Transbay Block 2E ($298,000)
Entitlement fees are accurately estimated	Y	Fees are estimated at $2,000,000
Furnishings are within standards	Y	Cost is $1,060,100 which complies with UGs
Soft Cost Contingency is 5%-10% per standards	Y	Soft Cost Contingency is 5.3%
Capitalized Operating Reserves are 25%, and if required by lender or investor, up to 50% of the 1st full year of budgeted operating expenses (including debt service)	Y	$1,415,363 Capitalized Operating Reserve is equal to 3 months of operating expenses

6.5.5 Waivers are requested for the following development budget line items:

- N/A

6.5.6 Construction Supervisor/Construction Representative's Evaluation of Design/Scope Budget

The initial concept massing study proposes a 24-story (240') Type IA concrete building. Given that at this early stage of development the estimates provided are highly speculative, the design will need to be further advanced for the Sponsors to obtain more meaningful pricing. Sponsors and their architects must work closely with OCII construction management staff to evaluate all strategies to reduce overall costs to the project, including alternative materials, increasing or decreasing the number of units, reducing the proposed commercial space footprint, and methods to shorten the construction timeline, among others.

The projected hard cost of $780,878 per unit is in line with projects in the City's pipeline and does not include any escalation, though it does include bid, design, plan check, and hard cost contingencies in accordance with MOHCD underwriting guidelines. Costs are driven in large part by the required Type I construction and the current high interest lending environment. The current valuation of the structural concrete and steel represents a significant percentage of the total hard cost and is subject to a volatile raw material market. At 24-stories, Type I construction is necessary because the typical wood frame over concrete construction that is used for mid-rise residential buildings is limited to 7-stories.

6.5.7 Construction Supervisor/Construction Representative's Evaluation of Architecture and Engineering Fees Proposed

When compared to similar projects such as Mission Bay South Block 4E, 1515 South Van Ness, 1939 Market Street, 921 Howard Street, and Transbay Block 2 East, the architectural and engineering fees for the Project are reasonable when viewed as a percentage of hard costs (excluding contingencies).

6.5.8 Developer Fee Evaluation

The milestones for the payment of the developer fee to the Sponsor are specified below:

Fee component	Amount	Notes
Total Developer Fee:	**$7,925,000**	Exceeds current max. per MOHCD policy, but is consistent with recent MOHCD practice and TCAC policy.
Project Management Fee Paid to Date:	$0	
Amount of Remaining Project Management Fee:	$2,200,000	
Amount of Fee at Risk (the "At Risk Fee"):	$3,800,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	$425,000	
Amount of Fee Deferred (the "Deferred Fee"):	$1,500,000	

Amount of General Partner Equity Contribution (the "GP Equity"):	$0	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	**Amount Paid at Milestone**	**Percentage Project Management Fee**
Acquisition/Predevelopment	$330,000	15%
Predevelopment – approval of entitlements	$330,000	15%
Predevelopment – submission of HCD funding application	$220,000	10%
Predevelopment – submission of joint CDLAC and TCAC application	$220,000	10%
Construction close	$440,000	20%
Construction completion	$440,000	20%
Permanent conversion	$220,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		**Percentage At-Risk Fee**
Permanent conversion	$3,800,000	100%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee		**Percentage Commercial Fee**
Completion of condominium subdivision mapping	$75,000	18%
Executed LOI with commercial tenant	$137,500	32%
Executed lease with commercial tenant	$106,250	25%
Occupied by commercial tenant	$106,250	25%

7. PROJECT OPERATIONS

See Attachment K for Annual Operating Budget and Attachment L for Cashflow Proforma

7.1 Annual Operating Budget

This annual operating budget is being presented to demonstrate the Project's overall feasibility but is not intended to be presented for approval at this time. Sponsor will return in Q4 2027 for final gap commitment.

7.2 Annual Operating Budget Income Narrative Evaluation

The first year of operations for the Project will be in 2030. The Project anticipates income from the following sources:

- Non-LOSP: Rental income from non-LOSP units totals approximately $5.3M for the first year, with an Effective Gross Income of approximately $5M (after inclusion of 5% vacancy loss), or approximately $20k per unit per year.
- LOSP: Effective Gross Income from LOSP-supported units is approximately $1M in year one, or approximately $17k per unit. LOSP income is comprised of tenant-paid rent and operating subsidy. Tenant paid rent is assumed at $250 per unit per month. The inclusion of LOSP is subject to funding availability. The Sponsors will work closely with OCII/MOHCD/HSH to evaluate the inclusion of LOSP units. If LOSP funding is unavailable, the Sponsors will need to analyze the impact on competitive scoring for tax credits and other financing applications.

Total Effective Gross Income is $19,335 per unit per year in year one (2030).

Operating expense (before reserves/debt service) total approximately $4.5M, or $14,244 per unit per year in 2030. Major operating budget cost drivers include property management and maintenance staff salaries and benefits for 12.2 FTEs which totals $833,092, insurance costs of $825,000 and utility costs of $874,864. Operating expenses are generally split between LOSP and non-LOSP units pro-rata, 20% LOSP and 80% non-LOSP. Security/desk coverage is split 75/25 between LOSP and non-LOSP, consistent with LOSP underwriting standards.

7.2.1 Commercial Leasing Plan

The Sponsors envision a grocery store in the proposed commercial space. They have initiated outreach to affordable grocery operators and received early interest from Casa Guadalupe, a Mission-based supermarket. If a single grocer does not occupy the entire space, the Sponsors' secondary plan is to subdivide the space into 2,900 square feet for a smaller grocer and 1,300 square feet for a nonprofit organization such as Blue Bear Music School. Blue Bear, a current tenant at Mercy's Sister Lillian Murphy Community, provides free music classes to residents, operates a community music school, and activates nearby parks. Blue Bear seeks to expand to additional Mercy communities such as Block 4 West. A detailed leasing and programming plan will be required as a condition of this loan, prior to final gap commitment.

7.2.2 Commercial Operating Pro Forma

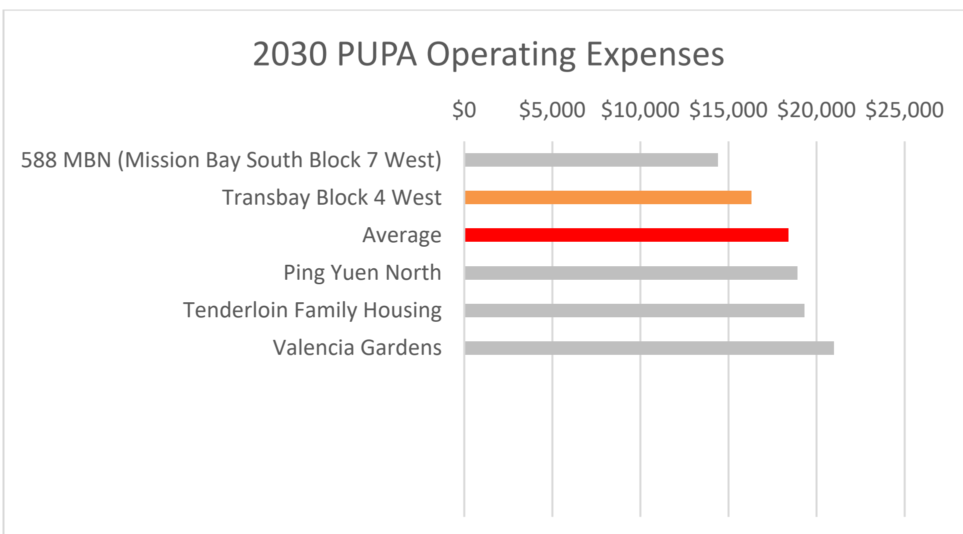
The Sponsors assume the commercial space will be leased to a community-serving/public benefit tenant and will not generate income/cash flow for the Project. The Sponsors plan to request a tenant improvement reserve and a commercial lease-up reserve. As a condition of this loan, the commercial leasing plan and any reserves will be further reviewed and refined during predevelopment. Staff is not recommending approval of a tenant improvement reserve or commercial lease up reserve at this time.

7.3 Annual Operating Expenses Evaluation

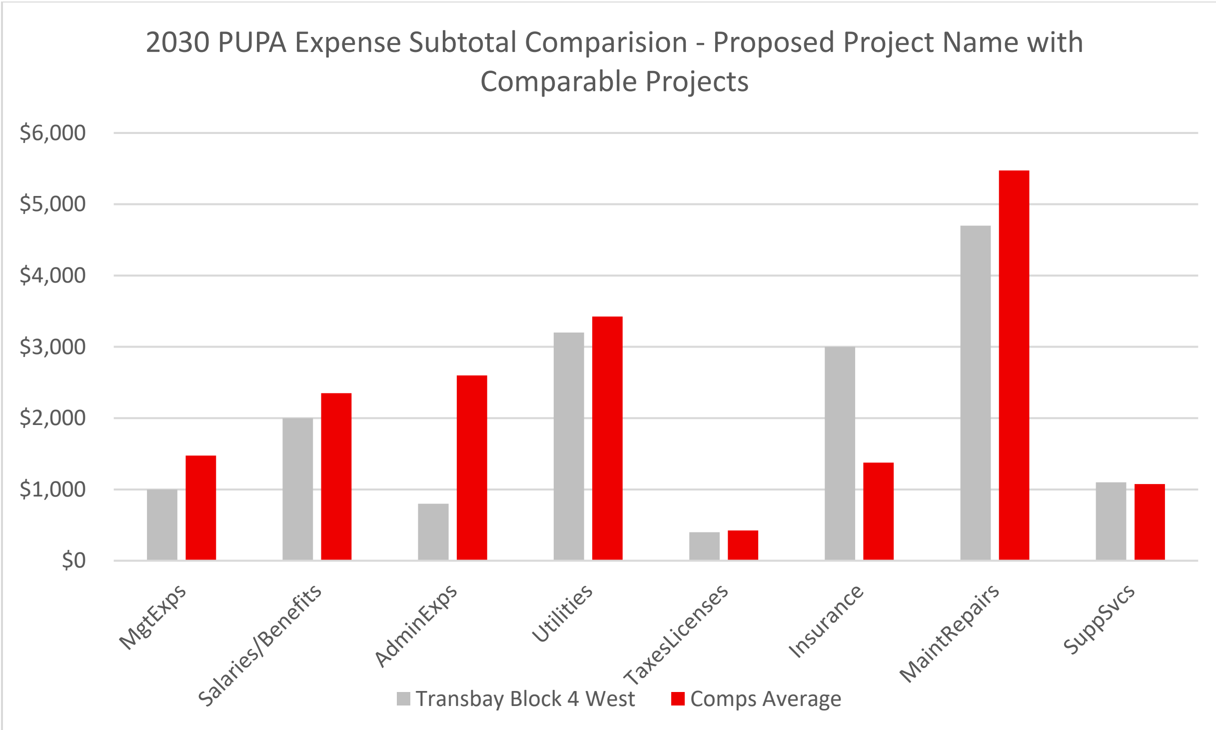
OPERATING PROFORMA		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.41 at Year 1 and 1.28 at Year 17. As a condition of this loan, Sponsors will be required to maximize permanent debt.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5% per year for non-LOSP tenant rents and 1% per year for LOSP tenant rents
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $14,244 per unit (before reserves), below the average of $19,100 compared to similar projects. Based on this information, staff will work with the Sponsors to ensure adequate staffing and operational costs have been assumed.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $254,280 or $67 PUPM and will be set in accordance with the HUD schedule.
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 1.0 FTE Senior Property Manager (PM) 2.0 FTE Assistant PM 0.2 FTE Housing Support Specialist 1.0 FTE Assistant PM/Desk Clerk 4.0 FTE Front Desk Coverage 1.0 FTE Senior Maintenance Manager 3.0 FTE Maintenance Tech 12.2 Total FTE

		The staffing level is not presented for approval and will be refined during predevelopment.
Management Fees meet standards	Y	Annual Asset Management Fee is $30,890/yr and does meet standard Annual Partnership Management Fee is $30,890/yr and does meet standard Limited Partnership/Investor Asset Management Fee is $7,500/yr and does meet standard
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year
Bond Monitoring Fees	Y	Bond Monitoring Fee is $7,500
Services Paid from operating budget meet MOHCD standards	Y	2.5 FTE Resident Services staff for the 251 non-LOSP units is funded through the operating budget

As shown in the chart below, the Project's operating costs are below average but comparable to those of similarly sized projects.



Transbay Block 4 West's operating costs are significantly lower, on a per unit basis, than the $18,400 average of four other projects, and will need to be evaluated further during predevelopment.



Compared to the four comparable projects, Block 4 West costs are higher for insurance due to higher insurance premiums in the last two years. Costs in other categories are similar or significantly lower. These expenses will need to be further evaluated during predevelopment.

7.4 Marketing, Occupancy, and Lease-Up Narrative, Including Lottery and Referral Units

Tenants in the 20% of units serving formerly homeless family households will be referred to the Project through the Coordinated Entry System ("CES") (the Project includes 63 supportive units). All remaining affordable units (248 units) will be marketed and leased through OCII's standard procedures, including early outreach to COP Holders (which includes original displacees and their direct descendants), broad marketing and outreach, and applications and a lottery through DAHLIA (Database of Affordable Housing, Listings, and Applications). In addition, applicants will be prioritized in accordance with housing lottery preferences.

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

Preferences for units marketed through DAHLIA are as shown in the table below:

Type of Set Aside	Total # of units
Certificate of Preference Holders	248
Displaced Tenant Housing Preference Certificate Holders for up to 20% of lottery units.	50
Neighborhood Resident Local Preference applies only to lottery units not to exceed 25% of lottery units.	62
Live or Work in San Francisco	248

OCII and MOHCD will require compliance with OCII, MOHCD, and HSH standards and protocols. Therefore, within three months of construction commencement, Sponsors will provide an Early Outreach Plan with an emphasis on outreach to COP Holders. Following early outreach, the Sponsors will prepare and implement a robust marketing plan, which includes marketing and lease-up materials.

7.5 Income and Rent Restrictions for Marketing and Lease-Up

Rent and income restrictions for the Project are summarized in the chart below. Income tiering is intended to accommodate the needs of COP Holders. Note that while LOSP units are restricted at 50% MOHCD AMI to allow for maximum flexibility, tenants referred to LOSP units are typically extremely low-income. The unit mix in the chart below is preliminary and may be adjusted for competitiveness for financing applications and financial and operational feasibility.

UNIT SIZE		MAXIMUM INCOME LEVEL		
NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
1 BR – LOSP	16	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
2 BR – LOSP	32	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
3 BR – LOSP	15	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
Sub-Total	63			
LOTTERY				
1 BR	11	40% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
1 BR	11	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
1 BR	42	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
Sub-Total	64			
2 BR	23	40% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
2 BR	23	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI

2 BR	76	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
Sub-Total	122			
3 BR	11	40% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
3 BR	11	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
3 BR	40	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
Sub-Total	62			
		STAFF		
2 BR	2			
3 BR	1			
		TOTALS		
TOTAL	314			
Project Average:		54%	44%	44%
Avg for lottery units only:		55%	45%	45%

7.6 MOHCD Restrictions

As noted above, tiered income restrictions address requirements of the RFP and are intended to maximize COP Holder occupancy.

Unit Size	No. of Units	Maximum AMI	Rent/Operating Subsidy
1 BR	16	50%	LOSP
2 BR	32		LOSP
3 BR	15		LOSP
1 BR	11	40%	
2 BR	23		
3 BR	11		
1 BR	11	50%	
2 BR	23		
3 BR	11		
1 BR	42	60%	
2 BR	76		
3 BR	40		
2 BR	2	Unrestricted	Manager’s Unit
3 BR	1	Unrestricted	Manager’s Unit

8. SUPPORT SERVICES

8.1 Services Plan

Mercy will provide resident services for low-income households and Episcopal Community Services will provide supportive services for formerly homeless households with the goal of independence and stability for all family members. These services include:

- Homework help and enrichment activities for youth
- Ongoing screenings and wellness checks for seniors
- Clinical assessments
- Crisis management
- Conflict resolution
- Legal and financial advocacy
- Eviction prevention and housing stabilization
- Close coordination with onsite property management and wraparound supportive services providers, including for workforce training, adult learning, housing ladder opportunities, and others as identified during resident-directed service planning.

Anticipated services positions for the Project are as follows:

Position	Description
Resident Services Coordinator	Coordinates on-site services programs, partnerships with outside organizations, and property management. Implements youth programming, community engagement, health and wellness initiatives, and housing stability.
Resident Services Manager	Provides oversight and supervision to support resident services staff and programs.
Case Manager	Provides psychological assessments, supportive counseling, and individualized wrap-around case management. Services aligned with Positive Parenting Program.
Support Services Manager	Provides leadership and supervision to ensure quality and resident safety. Responsible for case management program operations including staff supervision and budget oversight.

Given the scale of the Project, the Sponsors should analyze service delivery models implemented in other large affordable housing developments with comparable unit counts and resident populations. This research should include staffing ratios, case management approaches, and resident engagement strategies proven effective in high-density family housing. Lessons learned from these projects should inform the final services plan to ensure operational sustainability and resident well-being.

8.2 Services Budget

The Project team is proposing resident services at up to one staff person for every 100 units will be paid through the operating budget, pursuant to MOHCD underwriting standards. Case management and supportive services for formerly homeless families will be funded through a separate contract with HSH. The anticipated services budget is as follows:

Staff Position	Employed by	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordinator	Mercy	2.5 FTE	251 General Affordable households	1:100	Operating Budget
Resident Services Manager	Mercy	0.2 FTE	251 General Affordable households	1:20	Operating Budget
Case Manager	ECS	3.0 FTE	63 formerly homeless family households	1:20	HSH
Support Services Manager	ECS	1.0 FTE	63 formerly homeless family households	1:63	HSH
Total Staffing On-Site		**6.7 FTE**			

8.3 HSH Assessment of Service Plan and Budget

As noted in Section 1.2, HSH participated in the RFP evaluation panel. The Sponsors will work with HSH to confirm the number of LOSP units in the Project and to refine the services plan. If LOSP funding is unavailable, the Sponsors must reassess staffing and service delivery. Because ECS's role as supportive services provider is contingent on the inclusion of 63 PSH units, removal of these units may eliminate the need for ECS. In that case, the Sponsors will revise the services plan to reflect a reduced scope of intensive case management and identify alternative strategies to maintain resident engagement and stability.

9. STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount	$5,000,000
Loan Term	Earlier of 3 years or the close of construction financing, at which point this loan will roll into the OCII gap loan
Loan Maturity Date	2029
Loan Repayment Type	Balloon payment (or residual receipts if rolled into gap loan)
Loan Interest Rate	3%
Date Loan Committee approves prior expenses can be paid	October 9, 2025

9.2 Recommended Loan Conditions

During Predevelopment:

1	Sponsors must study the costs and benefits of a full or partial underground parking level and collaborate with OCII to assess physical feasibility and identify creative financing strategies for underground parking on the Site.
2	Sponsors must collaborate with OCII to evaluate the proposed sizing of the commercial space and consider flexibility of use and Project cost in determining the optimal size for the space.
3	Sponsors will work with property management and services staff, as well as OCII housing and design staff, to refine the programming and design of amenity and service spaces.
4	Sponsors must evaluate and refine the operating budget to account for the large project size and resident population.
5	Sponsors must conduct a comparative analysis of service delivery models used in other large-scale affordable housing developments prior to gap loan approval. The analysis should identify base practices for staffing, case management, and resident engagement, and demonstrate how these practices will be incorporated into the Block 4 West services plan.

6	Sponsor must provide and refine operating and development budgets that meet OCII/MOHCD Underwriting Guidelines and Commercial Space Underwriting Guidelines.
7	Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
8	Prior to submitting any funding applications, Sponsors must evaluate the impact of the potential removal of PSH units on competitive scoring.
9	In the event PSH units are removed, Sponsors must provide a revised services plan and staffing budget that demonstrates operational sustainability and confirm whether ECS will remain a service provider.
10	Sponsors will issue an RFP/RFQ for an owner's representative and other consultants and professional services in accordance with OCII's Contract Compliance and SBE program specifications and will submit bids and draft contracts for OCII staff review and approval prior to selecting or entering into a contract with an owner's representative or other consultants and professional services.
11	Borrower will issue an RFP/RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Furthermore, Borrower will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to explore joint ventures or similar partnership opportunities with SBEs.
12	Sponsors must ensure that consultant and professional services budgets are in conformance with OCII/MOHCD Underwriting Guidelines.
13	Sponsors must work with OCII staff to maintain a unit mix as stated in the RFP of 25% one-bedroom units, 50% two-bedroom units, and 25% three-bedroom units to serve the needs of COP Holders. Sponsors must also evaluate the feasibility of including four- and five-bedroom units.
14	Sponsors will develop design scenarios that balance unit mix, unit sizes, and financial sources including OCII subsidy, all subject to OCII review and approval.
15	In collaboration with OCII, Sponsors, as lead, must engage and assess COP Holders needs regarding AMI levels, program needs, program desires, and provide an analysis to OCII in addition to proposed income tiering and program elements/design features that aim to address COP Holders expressed statements throughout predevelopment.

16	Sponsors must monitor and report on construction hard costs during the predevelopment period. Sponsors will identify and recommend opportunities for value engineering, subject to OCII review.
17	Sponsors must provide OCII with detailed monthly updates via the OCII Monthly Project Update, which may be amended from time-to-time, including on: a) community outreach completed; b) outcomes achieved related to racial equity goals; and c) commercial use programming.
18	Sponsors must provide quarterly updated response(s) to any letters requesting corrective action to OCII.
19	Sponsors will provide a commercial financing plan for OCII review and approval.

<u>Prior to Gap Loan Closing</u>

1	Sponsors must pursue alternative financing sources if directed by and in coordination with OCII to determine the most appropriate financial plan with the goal of adding alternative permanent subsidy sources and minimizing OCII subsidy. As part of the permanent financing plan, Sponsors must confirm whether Mercy will season the $5M GP equity contribution. If Mercy is unable to season the required equity, Sponsor must revise the financing plan, including reassessment of the deferred developer fee or other equity components, to ensure compliance with underwriting requirements and overall project feasibility.
2	Sponsors will seek to maximize permanent debt and minimize OCII subsidy, while prioritizing inclusion of income tiering, as agreed upon with OCII and ensuring an adequate debt services coverage ratio consistent with OCII/MOHCD Underwriting Guidelines. As part of this analysis, Sponsors must evaluate whether the construction loan term is sufficient given the extended lease-up period anticipated for a 300+ unit high-rise, and propose adjustments if a longer term is required.
2	Sponsor must provide OCII and HSH with a services plan and proposed staffing levels that meet OCII/MOHCD underwriting standards and HSH staffing guidelines. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
3	Sponsor must provide OCII with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of OCII gap loans.

4	Sponsor must provide an updated Commercial Space Plan to OCII no less than 90 days prior to Loan Committee date for gap loan.
5	Sponsor must: a) provide for OCII review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for OCII review of all raw financial data from developer or financial consultant prior to selection; c) provide for OCII review and approval of all selected investors and lenders; and, d) provide for OCII review and approval of all Letters of Intent from financial partners.
6	Sponsor must provide any true debt analysis related to the interest rate for the OCII loan.
7	Sponsors must collaborate with OCII, and HSH where appropriate, and conduct community outreach to solicit input, address concerns, and educate community members on various aspects of the Project and to solicit input regarding potential uses for the community-serving commercial space.

During Construction

1	Sponsors must submit a draft early outreach plan within the first 3 months of construction commencement of the Project.
2	Sponsor will provide bank construction budget with pay app for approval to OCII when Sponsor starts drawing from the construction loan.
3	Sponsors will make good faith efforts to secure a commercial tenant at or before 50% construction completion and provide a signed LOI.
4	Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
5	Sponsors, in coordination with OCII, must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that OCII and MOHCD may request the LOSP subsidy. Any assumptions on tenant-paid rent for LOSP-supported units, and income restrictions for the referrals from the Coordinated Entry System must be submitted for review to HSH and adjusted according to HSH's direction. All submissions will be subject to further refinement in coordination with OCII and HSH.

10. LOAN COMMITTEE MODIFICATIONS

11. Loan Committee Recommendation

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

Daniel Adams

Director, Mayor's office of Housing and Community Development

☑ Approve ☐ Disapprove ☐ Take No Action

Signature: Signed by: Daniel Adams E09C20545F78457...

Salvador Menjivar

Director of Housing, Department of Homelessness and Supportive Housing

☑ Approve ☐ Disapprove ☐ Take No Action

Signature: DocuSigned by: Salvador Menjivar 4471E0DF5946486...

Marc Slutzkin

Deputy Director, Office of Community Investment and Infrastructure

☑ Approve ☐ Disapprove ☐ Take No Action

Signature: DocuSigned by: Marc Slutzkin 712ADC1A618C472...

Vishal Trivedi on behalf of Anna Van Degna

Director, Controller's Office of Public Finance

☑ Approve ☐ Disapprove ☐ Take No Action

Signature: DocuSigned by: Vishal Trivedi 63D9B405CF594FF...

Attachments

Attachment A	Project Milestones/Schedule
Attachment B	Organization Background
Attachment C	Developer Resumes
Attachment D	Asset Management Analysis of Sponsor
Attachment E	Threshold eligibility Requirements and Ranking Criteria
Attachment F	Site Map with Amenities
Attachment G	Elevations and Floor Plans
Attachment H	Comparison of City Investment in Other Housing Developments
Attachment I	Predevelopment Budget
Attachment J	Development Budget
Attachment K	1st Year Operating Budget
Attachment L	20-year Operating Proforma

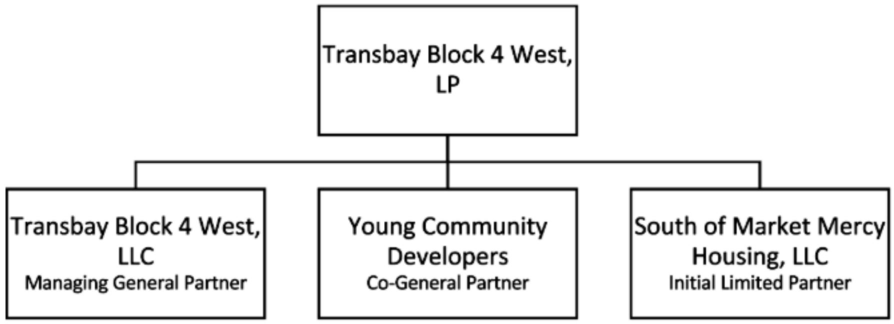
Attachment A: Project Milestones and Schedule

Performance Milestone	Due Date (xx/x/xx)	Notes
Predevelopment/Acquisition Loan		
Predev Financing Loan Committee	3/6/2026	
OCII Commission Approval	4/7/2026	
Execution of Predevelopment Loan/Acquisition Docs	4/7/2026	
Community Outreach Plan		
Draft Due	6/1/2026	
Community Mtg #1	9/1/2026	
Community Mtg #2	2/1/2027	
Development Team Selection		
Architect	Complete	
General Contractor	5/15/2026	
Owner’s Representative	4/19/2026	
Property Manager	Complete	
Services Provider	Complete	
Design		
Submittal of Schematic Design & Cost Estimate	12/1/2026	
Submittal of Design Development & Cost Estimate	6/1/2027	
Submittal of 50% CD Set & Cost Estimate	11/1/2027	
Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	2/1/2028	
Commercial Space		
Draft Commercial Space Plan Submission	12/1/2026	
LOI/s Executed	6/1/2030	
Leases Due Date	12/1/2030	
Enviro Review/Land-Use Entitlements		
Planning Application Submission	12/15/2026	
CEQA Enviro Review Submission	4/15/2027	
NEPA Enviro Review Submission	N/A	
CUP/PUD/Variances Submission	12/15/2026	

PUC/PG&E		
Temp Power Application Submission	8/1/2027	
Perm Power Application Submission	3/1/2028	
Permits		
Building / Site Permit Application Submitted	5/1/2027	
Addendum #1 Submitted	11/1/2027	
Addendum #2 Submitted	11/1/2027	
Request for Bids Issued	4/1/2028	
Services Plan Submission		
Preliminary	12/1/2026	
Final	3/1/2029	
Additional Financing		
OCII Preliminary Gap Financing Application	2/2027	
OCII Final Gap Financing Application	12/2027	
CD Application	5/2027	AHSC
Construction Financing Solicitation	2/2028	
AHP Application	2/2028	
CDLAC Application	2/2028	
TCAC Application	2/2028	
LOSP Funding Request	8/2029	
Construction Loan Closing		
Gap Loan Approval	12/1/2027	
OCII Commission Approval	1/4/2028	
Construction Loan Closing	10/1/2028	
Construction Start	10/1/2028	
Notice to Proceed	10/1/2028	
Groundbreaking Celebration	TBD	Press release through Mayor’s Office
Marketing/Rent-up		
Early Outreach Plan Submission	12/2028	
Marketing Plan Submission	6/1/2030	
Commence Marketing	9/1/2030	
95% Occupancy	12/31/2031	

Ribbon Cutting/Grand Opening Celebration	3/1/2032	Press release through Mayor's Office
Permanent Conversion		
Temp Cert of Occupancy	12/1/2030	
Placed in Service Date	6/1/2032	
Cost Certification	9/1/2032	
Conversion of Construction Loan to Permanent Financing	12/1/2032	
8609 from TCAC	6/1/2033	

Attachment B: Organizational Background



<u>Young Community Developers (YCD) Employment Data</u>

<u>Board</u>

<u>Race Demographics</u>

Black or African- American	Asian
77.8%	22.2%

Gender Demographics

Female	Male
33.3%	66.7%

<u>All Employees</u>

<u>Race Demographics – All Employees Between July 1, 2024 – June 30, 2025)</u>

Black or African-American	Hispanic	Two or more races	White	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native
51.9%	18.9%	12.3%	7.9%	5.5%	2.7%	0.8%

<u>Gender Demographics – All Employees Between July 1, 2024 – June 30, 2025)</u>

Female	Male	Not Specified
49.7%	49.2%	1.1%

See table below for gender identity and race demographics for the Mercy board and staff:

Mercy Housing California Board	M: 43% F: 57%	Asian: 14.29% African American: 7.14% Caucasian: 43.86% Latinx: 14.29% Biracial: 21.43%
Mercy Housing, Inc. Board	M: 50% F: 50%	Asian: 5% African American: 15% Caucasian: 75% Latinx: 5%
Mercy Housing, Inc. - All Staff	M: 42% F: 58%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
Mercy Housing California - All Staff	M: 43% F: 57%	2 or More Races – 5% American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
Mercy Housing California - Development Staff	M: 50% F: 50%	Asian – 20% Not specified – 20% White – 60%

The chart below represents the total number of people currently living in MHC owned properties, disaggregated by race and ethnicity.

Mercy Housing California San Francisco resident responses to US Census definitions	Asian: 42% White: 19% Black or African American: 16% Other: 15% Did not specify: 3% Native Hawaiian or Other Pacific	Not-Hispanic or Latino: 77% Hispanic or Latino: 19% Did not specify: 3% Blank 1%

Mercy Housing was founded on the belief that housing justice is social justice. Mercy's organizational values of respect, justice, and mercy are integral to its racial equity work. To advance its racial equity and social justice, Mercy's national office launched the Racial Equity, Diversity, and Inclusion (REDI) initiative. In 2021, Mercy Housing Inc. hired Web Brown as SVP for Racial Equity, Diversity, and Inclusion. Mr. Brown has created a coordinated approach to REDI that includes creating an organizational framework that consists of focus areas to produce action plans throughout the organization in areas of internal culture, resident empowerment, education, and training, hiring and recruitment, communication, and advocacy.

Mercy has also established REDI goals for each department. The California real estate development team generated five goals in 2020 and created workplans around achieving each of the goals. Goals include: expanding the pipeline of diverse real estate staff, creating a national contracting and procurement policy, developing REDI evaluation standards for each stage in the development process, incorporating equitable digital access in development projects, and creating a legislative advocacy strategy. San Francisco real estate staff have been central in elevating these conversations and moving the goals forward. In 2023, Mercy Housing Inc. published its organization wide racial equity mission and goals.

Mercy Housing and YCD demonstrate a strong, ongoing commitment to racial equity through specific policies and practices that improve access and support for communities historically impacted by displacement and systemic barriers.

In San Francisco, we have worked closely with OCII to prioritize COP holders, primarily African American residents displaced by the former Redevelopment Agency. Our outreach and lease-up strategies include direct engagement with community-based organizations and targeted marketing to ensure eligible households are reached and supported throughout the application process.

Mercy has also implemented the Mercy Housing Low Barrier to Entry Resident Selection Criteria at properties such as Casa de la Misión and Sister Lillian Murphy Community, reducing unnecessary screening requirements around credit, rental, and criminal history—barriers that disproportionately affect communities of color.

Post-lease-up, we revised our House Rules to ensure they are culturally competent and trauma-informed. This revision process was shaped by direct resident input and focused on creating a more respectful, inclusive community environment.

These actions reflect our deep, practical commitment to racial equity—not as an abstract value, but as a lived priority embedded in how we house and serve our communities.

The joint venture between Mercy and YCD for the Transbay 4 West project creates opportunities for an emerging housing developer to gain further experience in the development and ownership of a multifamily, 100% affordable high-rise building. Since the beginning of the partnership, Mercy has already ensured that YCD is an active and integral part of the development team.

Through its joint venture with Mercy Housing, YCD will expand its capacity in all aspects of real estate development and ownership. Specifically, the partnership will result in:

1. Expanded knowledge in high rise design, construction, financing and operations.
2. Expanded knowledge in senior housing, and deepening experience in land use entitlements, financing, operating plans and budgeting, stabilization and perm conversion.
3. Expanded knowledge of roles and responsibilities of an owner, general partner, asset manager, property manager and resident services provider.
4. Using the Project to add to its general partner experience points for tax credit applications.

With these defined objectives, the development team is confident that this partnership will help YCD develop invaluable experience and expertise, and further cement itself as an established affordable housing developer.

Attachment C: Development Staff Resumes

Sean Wils is a Senior Project Manager at Mercy Housing California. In addition to Block 4 West, Sean is leading the development of Transbay Block 2 East, a 17-story, 184-unit, 100% affordable housing project. Before joining Mercy, Sean most recently completed two new construction projects in San Francisco totaling 237 permanent supportive housing units, and brought a 58-unit permanent supportive housing historic rehabilitation project from predevelopment to construction closing. Prior to developing San Francisco affordable housing, Sean worked in Brooklyn, New York, managing a 1.8 million square foot mixed-use development with 200 affordable units.

Michael Kaplan is an Associate Director of Development at Mercy Housing California. With over 13 years of community development experience, including eight years in affordable housing, he has been involved in the creation or renovation of over 700 units of affordable housing valued at over $500M. He has entitled housing across a spectrum of neighborhoods, ranging from disadvantaged communities to upscale suburbs across the Bay Area, and has worked with a diverse group of stakeholders, partners, and public agencies to get housing built.

Ramie Dare is the Director of Real Estate at Mercy Housing California. Her nearly three decades as a developer of affordable housing and mixed-use buildings represents her dedication to community development and building the social and physical infrastructure of urban neighborhoods. She is skilled in problem solving and project managing complex financing structures and regulatory overlays, large project teams, politically sensitive processes, and an array of public/private partnership developments. Throughout her career, Ramie has remained steadfast in her commitment to thoughtfully engaging communities in her work and intelligently identifying community needs and maximizing neighborhood assets to achieve shared goals in planning, design, and operations of the buildings she develops.

Robert Abbott is a Senior Project Manager at Young Community Developers (YCD). Robert has worked as a Project Manager at YCD for the past five years. Robert started his career at Novogradac & Company, a real estate accounting firm that specializes in low-income housing tax credits. He worked on both the tax and audit side of low-income housing tax credit partnerships. Robert also has experience in mixed-use and commercial developments in California and Nevada.

Jackson Smith is an Assistant Project Manager at YCD with the housing department. Jackson began his career with YCD approximately two years ago after graduating from UC Berkeley with a bachelor’s degree in business and political economy. Through prior internships and research, he brings a breadth of experience and interest in community development and city planning. Jackson is a Bay Area native who is committed to combating San Francisco’s housing affordability issues and is excited to contribute to making the city more vibrant and inclusive for all.

Zachary Weisenburger is a Policy Analyst at YCD. Zachary has worked at YCD for over five years, where he currently serves as a Land Use Policy Analyst. In this role, he advocates for equitable housing legislation, analyzes the impact of state and local programs on low-income BIPOC communities, and implements strategic housing plans to support anti-displacement efforts. He holds a Master of Public Policy from the University of Southern California's Sol Price School of Public Policy, where he developed strong analytical and evaluative skills through academic projects focused on affordable housing and community development. His combined academic and professional background demonstrates a deep commitment to housing equity and community-led policy development.

Monica Almendral is the Director of Housing at YCD. Monica provides considerable breadth to YCD with her background in the creation of joint venture partnerships on new construction projects, cultural placekeeping and making, as well as community engagement. As director of housing, she manages the day-to-day coordination of internal and external team members, assembles project budgets, and manages schedules to ensure projects are delivered on time and within budget. Additionally, Monica leads YCD's work in partnership with MOHCD to preserve housing and to avoid displacement/eviction for residents through the City's Small Sites Program.

Attachment D: Description of Asset Management Services

Mercy Housing California (MHC) will assume asset management duties for Transbay Block 4 West. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc, which is led by Senior Vice President Kate Ferguson.

<u>Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio</u>

California represents the largest portion of the portfolio with 167 operating properties across the state; 63 Mercy owned and occupied properties, 5,461 units, are in the City of San Francisco.

<u>Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant)</u>

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 25 years, 13 of which in the Asset Management Department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of 10 Asset Management professionals statewide, including Commercial Asset Manager based in San Francisco. Two Asset Management Analysts and one Commercial Asset Management Analyst based in the National Office in Denver, CO, are supporting the CA Asset Management team. In addition, one Vice President of Capital Project Investment and one Capital Investment Project Manager report directly to Kate Ferguson.

Yelena is in the San Francisco office and interfaces directly with Tiffany Bohee, President of Mercy Housing California (MHC), and Lillian Lew-Hailer, Vice President of Operations of MHC. Yelena and her team act as Mercy Housing's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability.

Mercy's portfolio management also includes Transaction Team comprised of 2 staff devoted to other specialized needs such as the Year 15 buy out and the refinance of properties.

All positions are currently filled and they are all full-time. The breakdown of the Bay Area asset management staff positions is as follows:

(1) Vice President of Asset Management

(1) Associate Director of Asset Management

(4) Asset Managers

(2) Asset Management Analysts

(1) Commercial Asset Management Analyst

(1) Commercial Asset Manager

(1) VP / Manager of Capital Investment

Each Asset Manager oversees a portfolio of up to 25 assets. The Asset Managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in the City of San Francisco or Bay Area. In San Francisco, Asset Managers manage fewer than the maximum of 25 assets in order to free up capacity for future developments. Once development is complete, a San Francisco based Asset Manager will assume asset management duties for Transbay Block 4 West.

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management staff has oversight into all operations of the properties. The portfolio is analyzed monthly through the Business Reviews, which look at physical and economic occupancy, trade and intercompany payables. In addition, the team performs bi-annual risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to evaluate occupancy, reserves, management, capital needs and available reserves. If a property is placed on the watchlist, there is a bi-annual meeting with the Asset Management team, Mercy Housing Management Group and Mercy Housing California President to find a solution to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the Regional Facilities Manager and the various Area Directors of Operations assigned to the properties. Using various analysis including our watchlist and budget planning, reviewing CNAs, and Reserve analysis, the Asset Managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and various reporting regulatory requirements by sending quarterly and annual reporting to investors and funders.

Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow.

The transaction team handles some of the longer-term needs of the portfolio such as Year 15 analysis and investor buyout and a property restructuring such as a refinance.

Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is ongoing coordination with property management daily regarding those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

<u>Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)</u>

Asset Management staffing budget is $3,311,502.

<u>Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio</u>

Mercy Housing anticipates that the portfolio will grow from 167 buildings to approximately 180 buildings in the next 5 years. To support the pipeline and continued growth and complexity, new Asset Manager positions based in San Francisco were added in 2017, 2019, and 2024. A new position will be added based on the pipeline.

MOHCD Asset Management staff assessment of Sponsor's asset management capacity: The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 154 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff also includes Asset Management Analysts who support the Asset Managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ratio will increase but remain within the industry standard.

Mercy Asset Management submitted 46/48 AMRs on original schedule in 2025, and was granted extensions for the other two.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

RFP and Applicant Teams

On May 8, 2025, OCII staff released an RFP to develop, own, and operate mixed-use affordable rental housing units on Transbay Block 4 West, and to develop and construct adjacent off-site public improvements and transfer them to the City and County of San Francisco for long-term ownership and operation. The RFP established the following program requirements:

Block 4 West Development Program Summary	
Target Populations	• Families ○ Preference Holders ○ Low-income families ○ Approximately 20% of family units set aside for families experiencing homelessness • Seniors ○ Preference Holders ○ Low-income seniors ○ Approximately 20% of senior units set aside for seniors experiencing homelessness
Number and type of units	Target of approximately 300 to 325 total units • Family units (approximately 175 to 200 units): ○ 25% one-bedroom ○ 50% two-bedroom ○ 25% three-bedroom • Senior units (approximately 125 to 150 units): ○ 90% one-bedroom ○ 10% studio
Area Median Income ("AMI") and rent restrictions	Tiered income levels targeted to meet the needs of preference populations, including Preference Holders, at up to 60% MOHCD AMI, provided that the average AMI for all affordable units is at or below 50% MOHCD AMI.
Commercial	Ground floor space for neighborhood-serving commercial use is required on Howard Street at Beale Street.
Parking	Vehicle: for proposal purposes, assume no residential parking (note, however, that Applicants are asked to provide a strategy for resident mobility and transportation strategies that may include on- or off-site parking). Bicycle: Class I bicycle parking spaces at a target ratio of 1:1 for family units and 1:5 for senior units.

Streetscape and sidewalks	Howard Street, Beale Street, and Tehama Street sidewalks and streetscape improvements
Tehama Improvements	Roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards.

The deadline for submitting responses was July 31, 2025, and by that date OCII received two (2) complete proposals from the following applicant teams:

1. Mercy Housing as lead developer and YCD as co-developer
    a. Architect: Kennerly Architecture & Planning and SCB (joint venture)
    b. Property Manager: Mercy
    c. Services Provider: Mercy and Episcopal Community Services
    d. Workforce Representative: Mercy and YCD

2. Related California as lead developer and San Francisco Housing Development Corporation ("SFHDC") as co-developer
    a. Architect: David Baker Architects
    b. Property Manager: Related
    c. Services Provider: SFHDC
    d. Workforce Representative: Monte Wilson/Community + Real Estate Development

Selection Process and Criteria

An 8-person interdisciplinary evaluation panel interviewed both teams and scored their submittals. The panel consisted of representatives from the Transbay Citizens Advisory Committee, MOHCD, HSH, the OCII housing team, and OCII Transbay project management and planning and design review staff members. OCII contract compliance team participation also ensured compliance with the RFP's procedural guidelines and provided analysis of the WCAP sections of each proposal. Proposals were evaluated using the scoring matrix set forth in the RFP, summarized as follows:

Maximum Points	Criteria
60	**Development Concept**
20	Development Concept and Approach
10	Financing Plan
10	Community Engagement/Marketing Plan

5	WCAP
5	Supportive Services Plan
10	Design/Massing Concept
40	**Team Experience and Capacity**
10	Applicant Team Composition and Structure
10	Developer
5	Co-Developer
5	Architect
5	Supportive Services Provider
5	Property Manager
100	**Total Points**

The proposal from Mercy and YCD received the highest total points.

Based on the results from the evaluation panel, OCII staff recommended that Mercy and YCD be selected to develop the Project. The recommendation was heard by the OCII Commission on October 21, 2025. The Sponsors and OCII staff continue to discuss development timeline, process, and initial massing and concept design. The Sponsors will soon begin the process of procuring a full-time consultant team, and is working with OCII Contract Compliance staff to ensure the participation of local firms and contractors.

Docusign Envelope ID: 5BA68FE4-AEF7-4799-9BD5-ED148FBAAAA3

Attachment F: Site Map with amenities

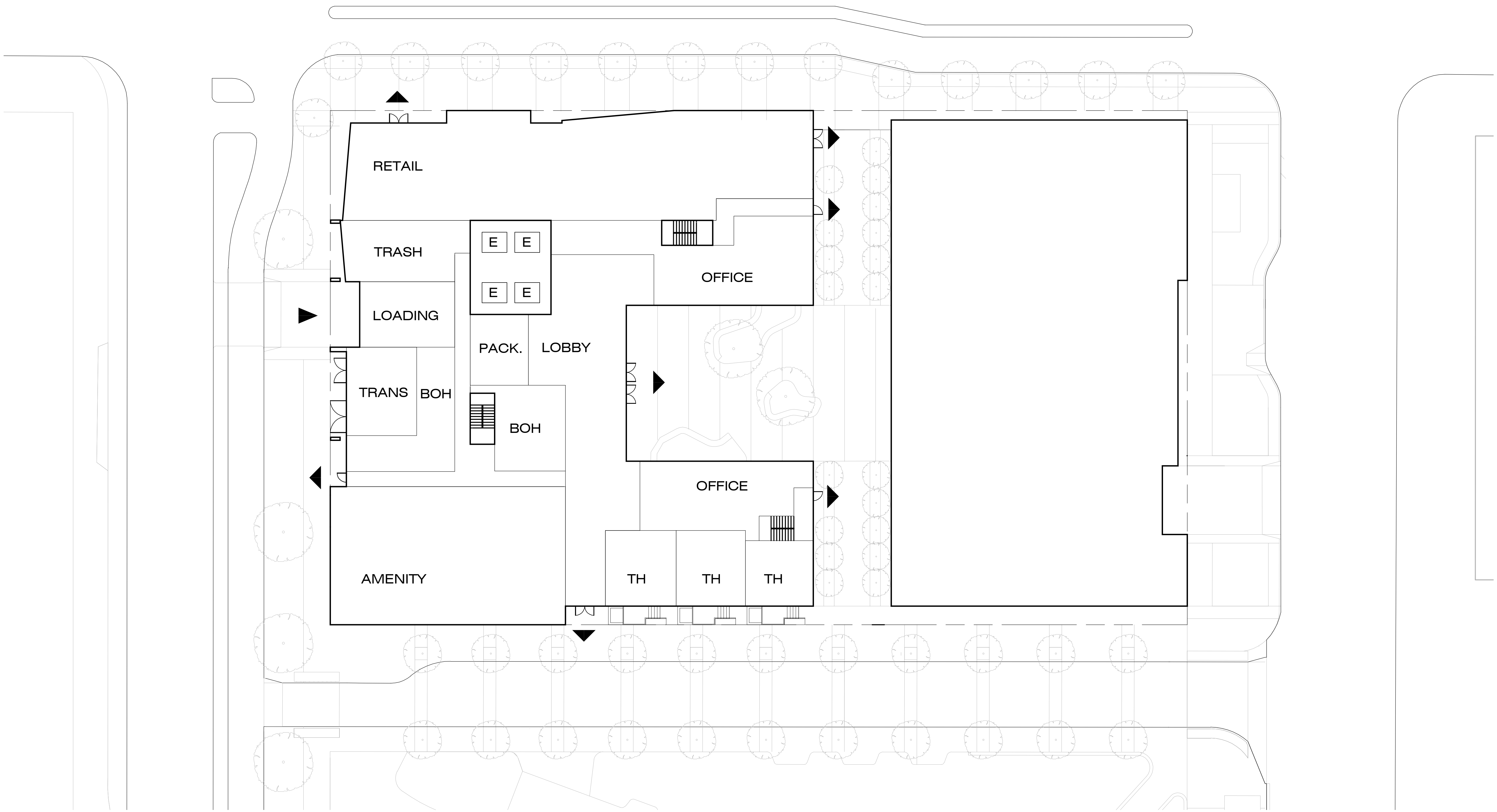
Amenity Name	Amenity Type	Address	Distance from Site	Use for TCAC Score?	TCAC Score
Muni Route 12 Stop	Transit	Main St & Folsom St, San Francisco, CA 94105	90 ft		
Muni Metro Route N Stop	Transit	The Embarcadero & Folsom St, San Francisco, CA 94105	0.16 mi		
Salesforce Transit Center	Transit	425 Mission St, San Francisco, CA 94105	0.2 mi		
Embarcadero Station	Transit	Market St & Main St, San Francisco, CA 94105	0.3 mi	Y	7
Ferry Building	Transit	1 Ferry Building, San Francisco, CA 94105	0.3 mi		
One Medical Primary Care Clinic	Medical Clinic	201 Spear St #230, San Francisco, CA 94105	0.1 mi		
Koshland Pharm	Pharmacy	301 Folsom St Suite B, San Francisco, CA 94105	0.07 mi		
Walgreens Pharmacy	Pharmacy	456 Mission St, San Francisco, CA 94105	0.2 mi		
Future Transbay Park	Public Park	Transbay Block 3, San Francisco, CA 94105	50 ft		
Salesforce Park	Public Park	425 Mission St, San Francisco, CA 94105	0.2 mi		

Rincon Park	Public Park	The Embarcadero & Folsom St, San Francisco, CA 94105	0.18 mi	Y	3
Embarcadero Plaza	Public Park	Market St & Steuart St, San Francisco, CA 94105	0.4 mi		
Sue Biermann Park	Public Park	Washington St & Drumm St, San Francisco, CA 94111	0.4 mi		
Woodlands Market	Grocery	203 Folsom St, San Francisco, CA 94105	0.07 mi	Y	4
Safeway	Grocery	145 Jackson St, San Francisco, CA 94111	0.6 mi		
CCSF Chinatown Center	Community College	808 Kearny St, San Francisco, CA 94108	0.75 mi		
CCSF Downtown Center	Community College	88 4th St, San Francisco, CA 94103	0.7 mi	Y	3
Bessie Carmichael Middle School	Public School	824 Harrison St, San Francisco, CA 94107	0.75 mi		

Total TCAC Score: 17 (max 15 points)

Attachment G: Elevations and Floor Plans

Scheme-B2 | SITE PLAN



Transbay Block 4W

DRAFT CONCEPT | 15 July, 2025

mercy HOUSING

SCB Architecture, Planning, Interior and Urban Design

kennerly Architecture/Planning/

Scheme-B2 | Concept Floor Plans

STUDIO
1BR - 1BA
2BR - 2BA
3BR - 2BA
AMENITY
OFFICE
LOBBY
OPEN SPACE
RETAIL
SERVICE
STAIR
ELEVATOR
CIRCULATION

LOWER LEVEL 1

Transbay Block 4W

DRAFT CONCEPT | 15 July, 2025

mercy HOUSING

SCB Architecture, Planning, Interior and Urban Design

kennerly Architecture/Planning/

Scheme-B2 | Concept Floor Plans

Transbay Block 4W

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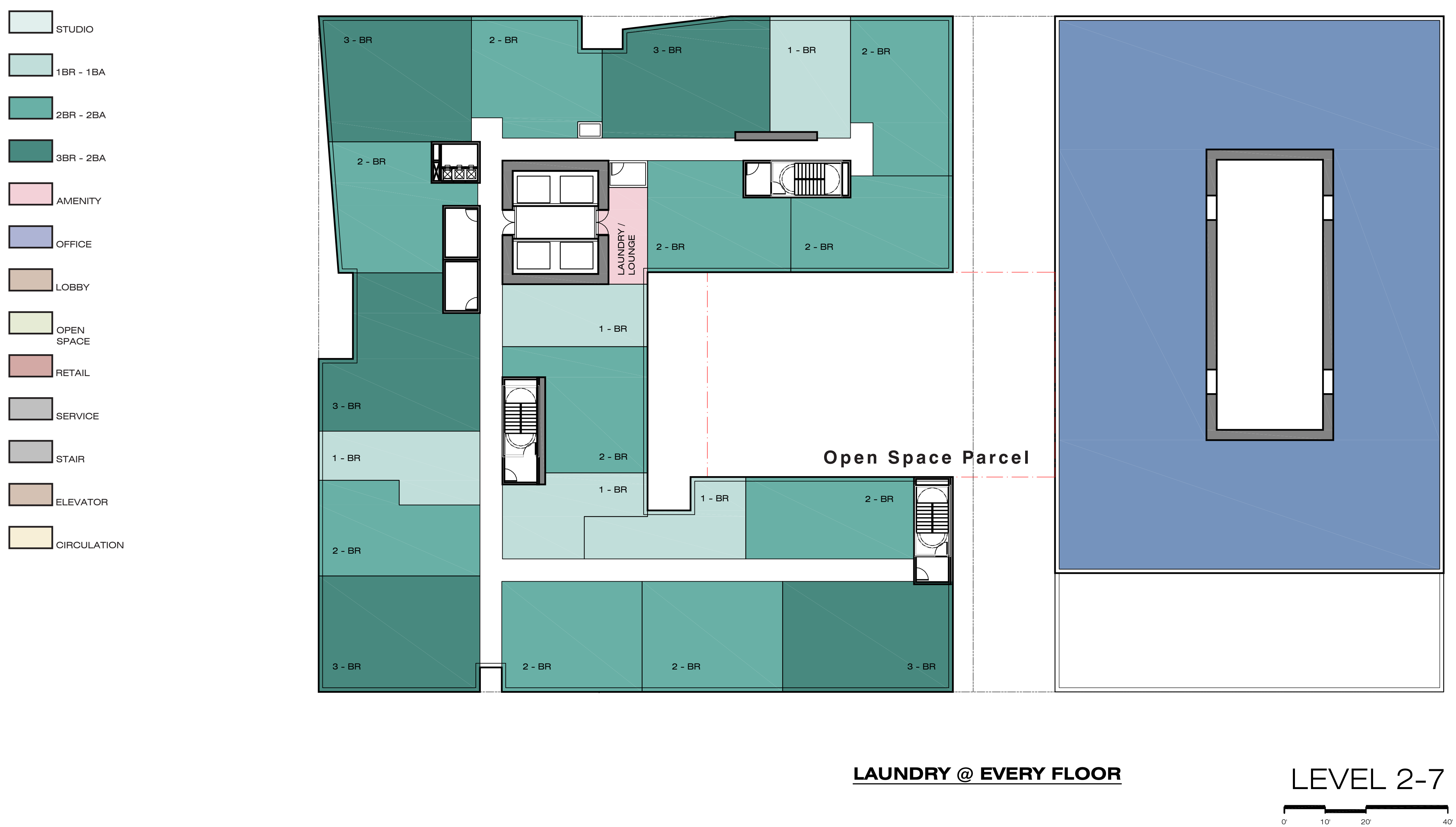
Scheme-B2 | Concept Floor Plans



LAUNDRY @ EVERY FLOOR

LEVEL 2-7

Transbay Block 4W

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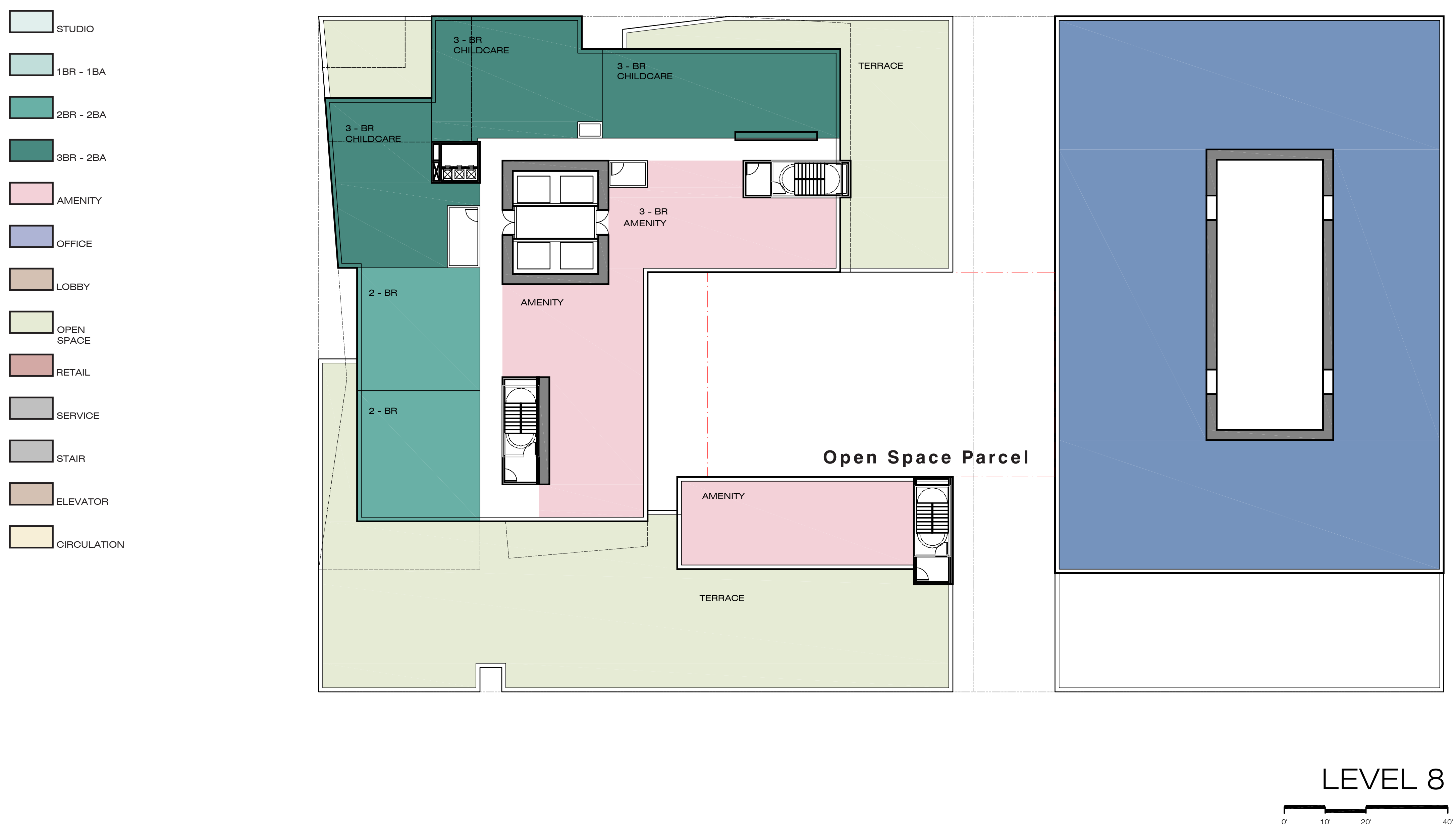
Scheme-B2 | Concept Floor Plans



Transbay Block 4W

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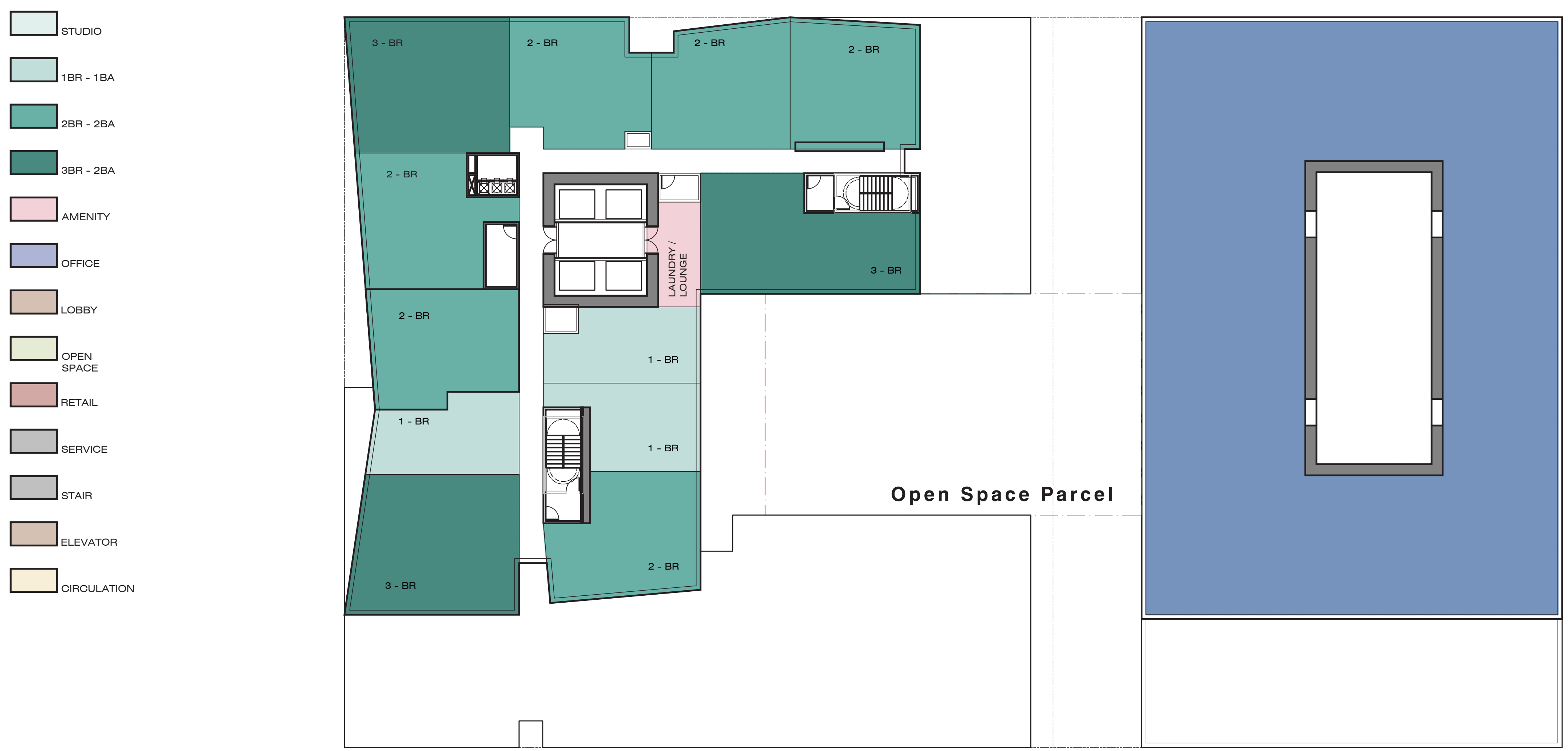
kennerly Architecture/Planning/

Scheme-B2 | Concept Floor Plans



LAUNDRY @ EVERY FLOOR

LEVEL 9-22

0' 10' 20' 40'

Transbay Block 4W

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Scheme-B2 | Concept Floor Plans

Transbay Block 4W

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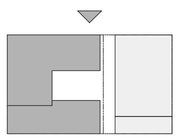
Scheme-B | Concept Elevations

North elevation - Howard St.



TYPE 01
- Curtain wall with spandrel glass
- 90% Glazing
- 10% Brake Metal

TYPE 02
- Unitized GFRC with Recessed Windows
- 40% Glazing
- 10% Brake Metal

Transbay Block 4W

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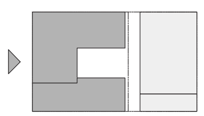
Scheme-A | Concept Elevations

West elevation - Beale St.



TYPE 01
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TYPE 02
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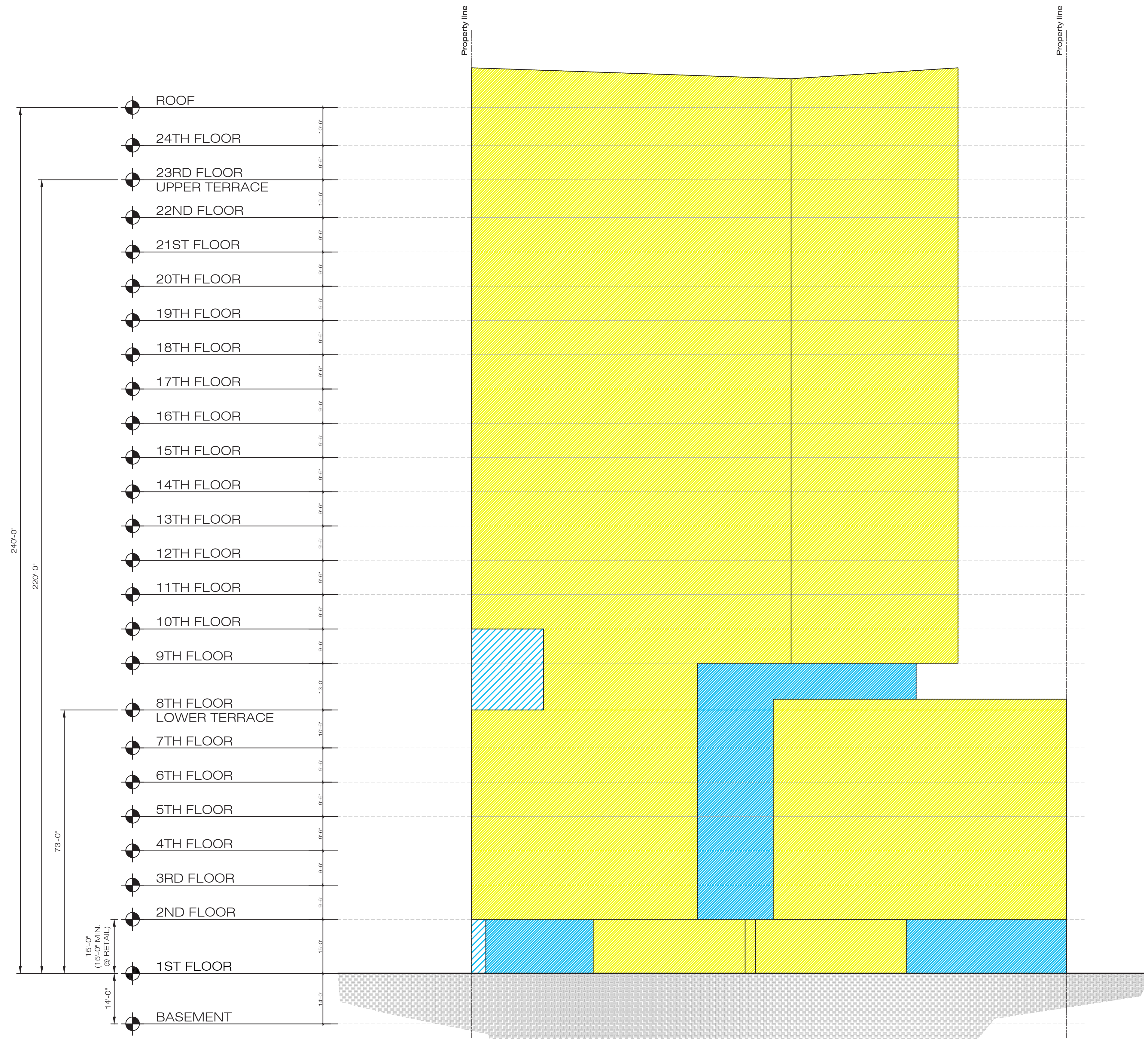
- 40% Glazing
- 10% Brake Metal



Transbay Block 4W

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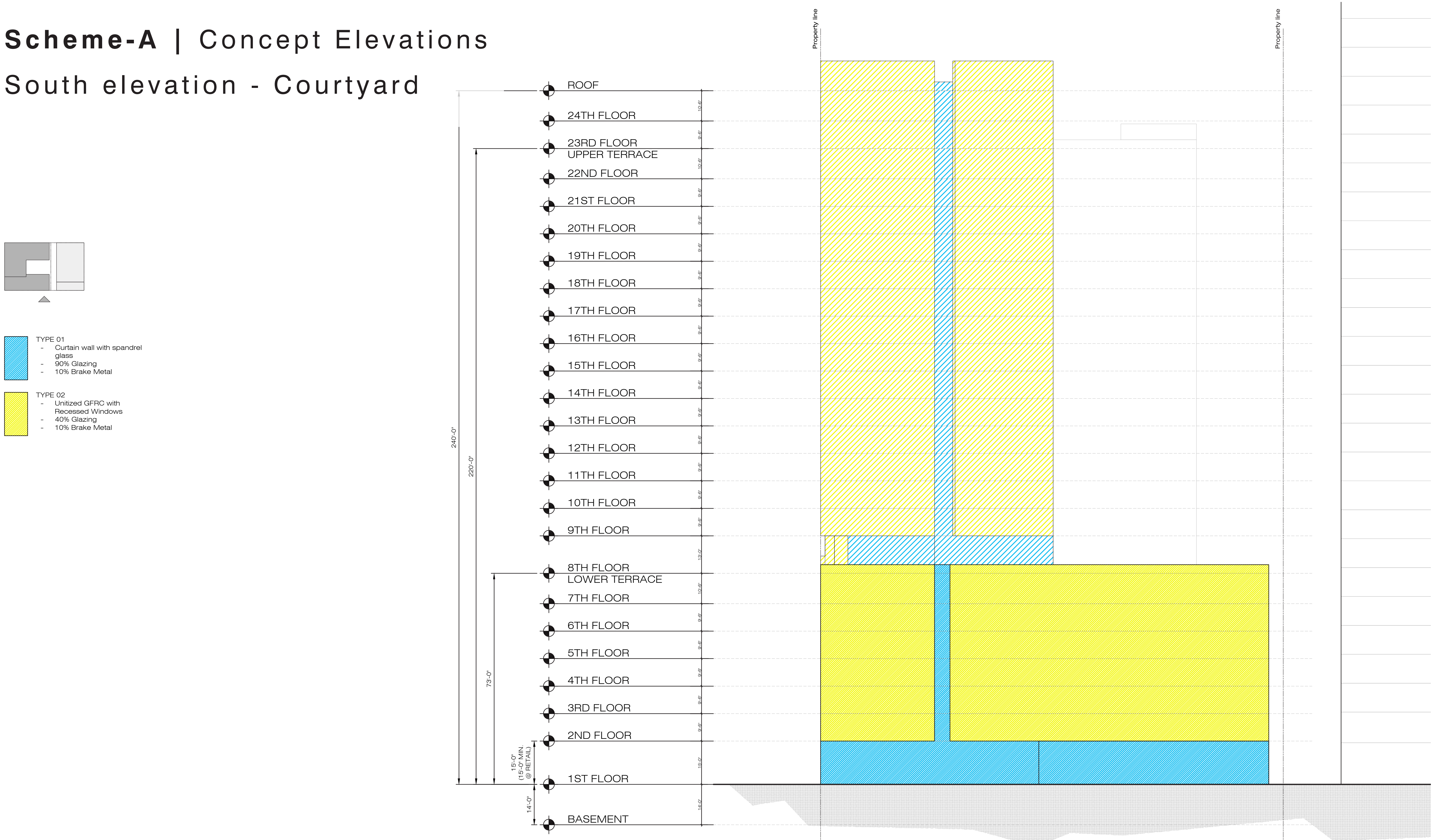
kennerly Architecture/Planning/

Scheme-A | Concept Elevations

South elevation - Courtyard



Transbay Block 4W

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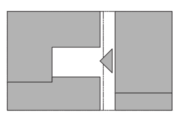
Scheme-A | Concept Elevations

East elevation - Mid-Block Alley



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TYPE 02
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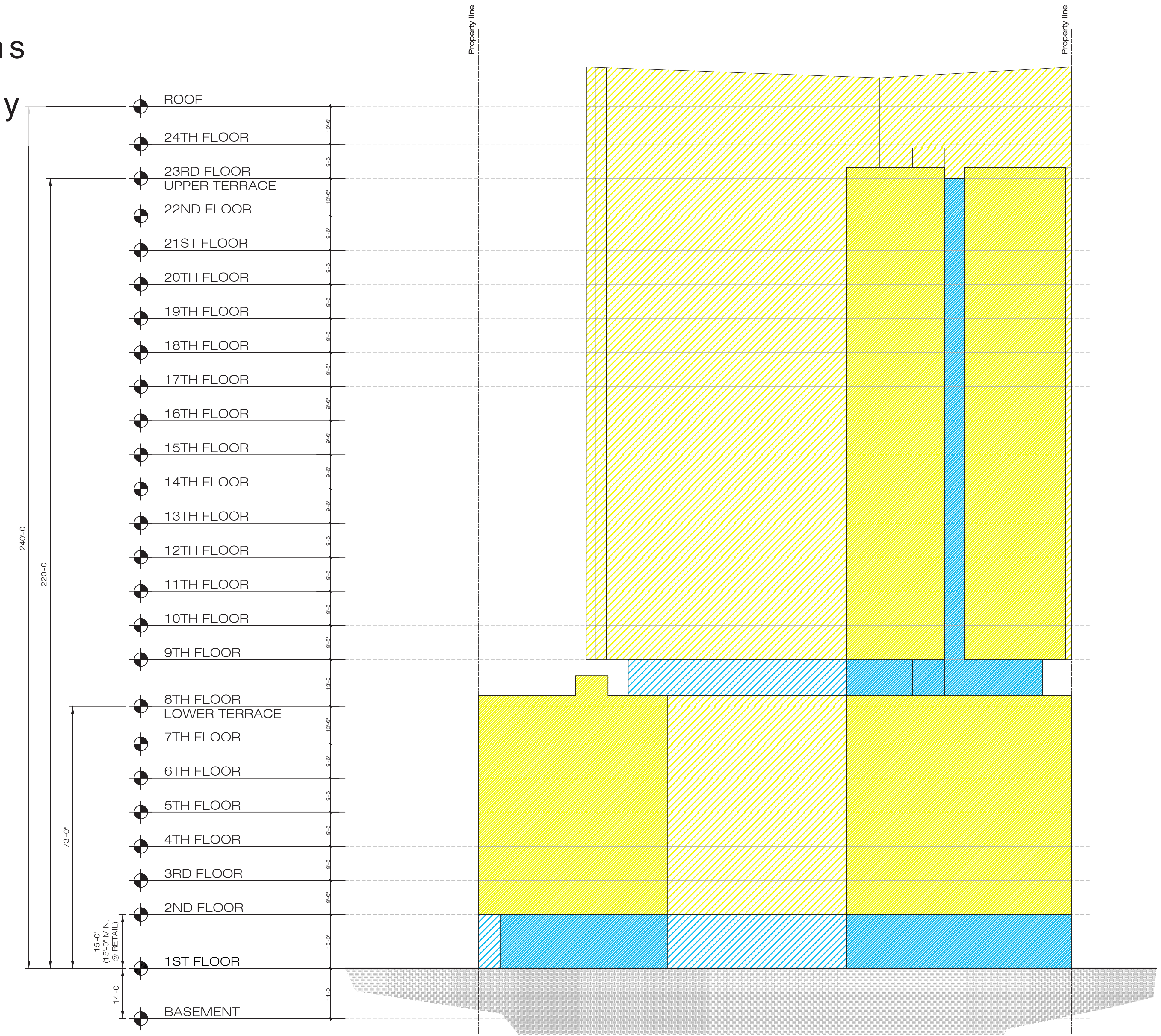
- 40% Glazing
- 10% Brake Metal



Transbay Block 4W

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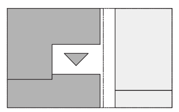
Scheme-A | Concept Elevations

Courtyard - North Facing Facade



TYPE 01
- Curtain wall with spandrel glass
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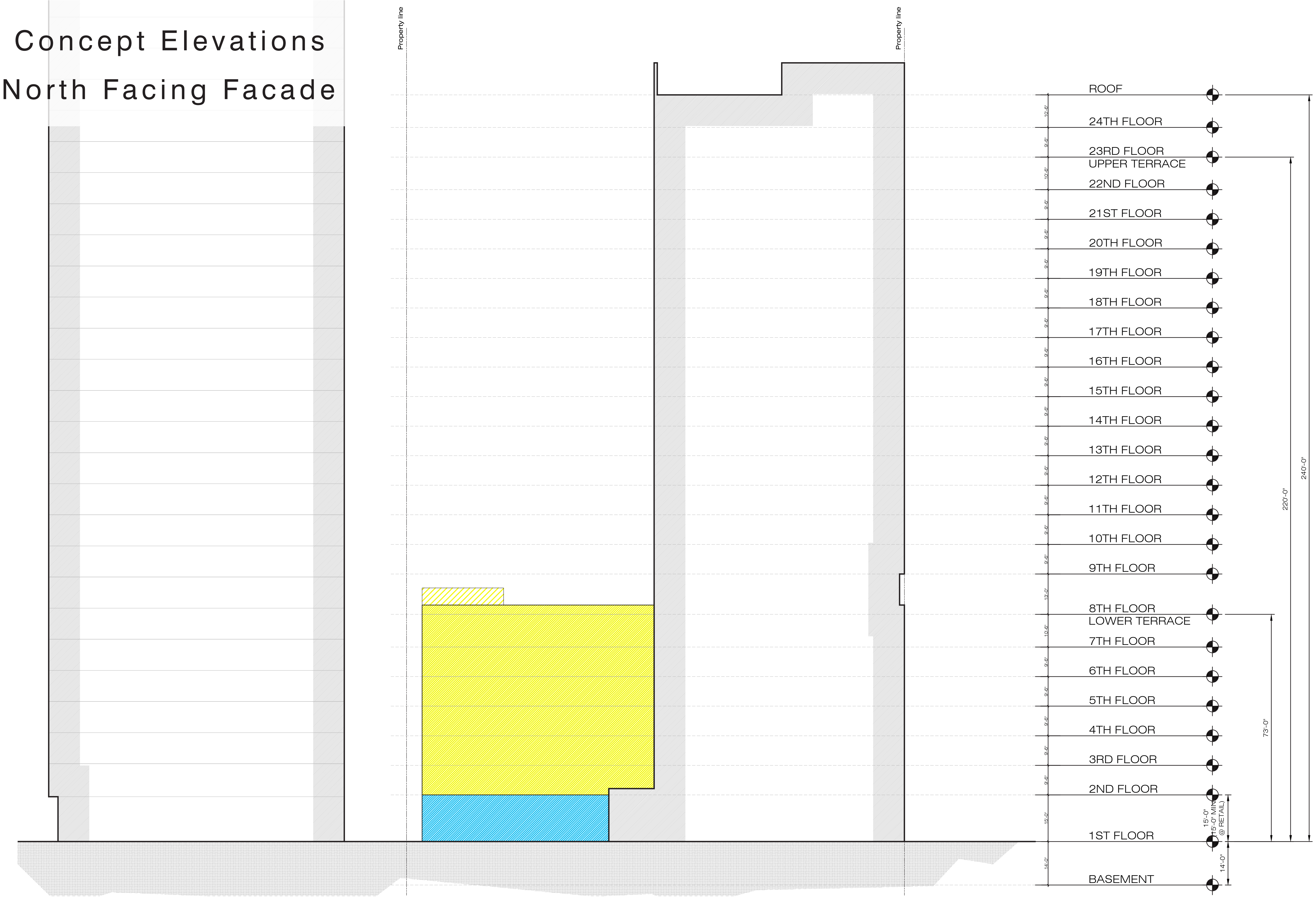
- 10% Brake Metal

TYPE 02
- Unitized GFRC with Recessed Windows
- 40% Glazing
- 10% Brake Metal



Transbay Block 4W

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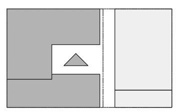
Scheme-A | Concept Elevations

Courtyard - South Facing Facade



TYPE 01
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- 90% Glazing
- 10% Brake Metal

TYPE 02
- Unitized GFRC with Recessed Windows
- 40% Glazing
- 10% Brake Metal

Transbay Block 4W

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Attachment H: Comparison of City Investment in Other Affordable Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 2/26/2026

		Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft[6]	Soft/unit	Soft/BR	Soft/ sq.ft[6]	TDC/unit	TDC/BR	TDC/ sq.ft[6]	Subsidy / unit	Leveraging [7]
Delta of Subject and Comparable Projects		$ (1,124)	$ (713)	-7.327204546	$ 33,363	$ (82,241)	$ 225	$ (59,262)	$ (53,935)	$ (26)	$ (27,561)	$ (137,229)	$ 198	$ 40,568	247.2%
Delta Percentage		-100%	-100%	-100%	4%	-17%	32%	-32%	-47%	-15%	-3%	-23%	22%	14%	359%
Transbay Block 4 West		$ -	$ -	$ -	$ 780,878	$ 391,686	$ 934	$ 123,583	$ 61,989	$ 148	$ 904,461	$ 453,675	$ 1,082	$ 329,960	63.5%
Comparable Projects	*Average:*	*$ 1,124*	*$ 713*	*$ 7.33*	*$ 747,515*	*$ 473,927*	*$ 709*	*$ 182,845*	*$ 115,924*	*$ 173*	*$ 932,021*	*$ 590,905*	*$ 884*	*$ 289,392*	69.0%

Costs __lower__ than comparable average (within 10%)	*Costs __higher__ than comparable average (within 10%)*

						Building Square Footage			Total Project Costs								
		Lot sq.ft	Completion/ start date	# of Units	# of BR[1]	Res.[2]	Non-Res. Sq. ft.	Total sg. ft.	Acq. Cost[3]	Constr. Cost[4]	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy				
ALL PROJECTS	*Average:*	*27,738*		*120*	*194*	*119,752*	*10,901*	*129,458*	*$ 308,528*	*$ 86,823,034*	*$ 26,654,516*	*$ 113,991,371*	*$ 31,890,913*				
Comparable Projects Completed (filtered)	*Average:*	*34,835*		*195*	*292*	*196,748*	*8,640*	*205,388*	*$ 3,333*	*$ 122,445,262*	*$ 27,282,401*	*$ 150,278,793*	*$ 44,165,682*				
Comparable Projects Under Construction (filtered)	*Average:*	*28,514*		*176*	*323*	*192,011*	*8,514*	*200,525*	*$ 15,000*	*$ 151,295,841*	*$ 32,558,570*	*$ 183,869,411*	*$ 58,302,901*				
Comparable Projects In Predevelopment (filtered)	*Average:*	*22,972*		*192*	*273*	*182,304*	*5,809*	*186,951*	*$ 614,160*	*$ 146,711,006*	*$ 43,003,211*	*$ 190,082,713*	*$ 60,304,865*				
Total Comparable Projects	*Average:*	*28,774*		*187*	*296*	*190,354*	*7,655*	*197,622*	*$210,831*	*$140,150,703*	*$34,281,394*	*$174,743,639*	*$54,257,816*	Notes on Financing (e.g., TCAC)	Building Type (e.g., Type III over Type I)	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
Transbay Block 4 West		26,400		314	626	258,200	4,200	262,400	$ -	$ 245,195,649	$ 38,805,027	$ 284,000,676	$ 103,607,502	4% credits, AHSC	Type I	24	
Delta of Subject and Comp Project Averages		-2,374		127	330	67,846	-3,455	64,778	($210,831)	$105,044,946	$4,523,633	$109,257,037	$49,349,686				
Delta Percentage		-8%		67%	112%	36%	-45%	33%	-100%	75%	13%	63%	91%				

PROJECTS COMPLETED						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acquisition costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as
921 Howard Family	921 Howard Street	28,893	Aug-23	203	259	235,680	1,970	237,650	$ -	$ 123,891,401	$ 36,248,774	$ 160,140,175	$ 46,468,120	CalHfa MIP/ 4% LIHTC	Type IA	18	incl 3 parking spaces & retail
600 7th Street (fmly. 801 Brannan) - outlier family and PSH wings	600 7th Street	37,800	Mar-25	221	334	181,534	4,223	185,757	$ 10,000	$ 117,779,719	$ 19,654,482	$ 137,444,201	$ 17,500,000	4% Credits; HCD IIG & NPLH	Type I	8	commercial semi-warm shell 4
730 Stanyan	730 Stanyan Street	37,813	Sep-25	160	282	173,030	19,728	192,758	$ -	$ 125,664,665	$ 25,943,948	$ 153,252,004	$ 68,528,927	4% Credits; HCD MHP	Type I	8	Svcs spaces, complex dsgn

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as
Transbay 2 EAST - Family OCII (Mercy)	200 Folsom	21,313	May-26	184	312	192,301	8,406	200,707	$ -	$ 167,203,417	$ 32,845,746	$ 200,049,163	$ 72,972,179	4% Credits, AHSC, IIG	Type I	17	
1515 SVN	1515 South Van Ness Ave	35,714	Oct-26	168	333	191,720	8,622	200,343	$ 30,000	$ 135,388,265	$ 32,271,393	$ 167,689,658	$ 43,633,623	4% credits, HCD MHP	Type IB	9	NTP by Feb - GMP Oct 2024; demo of warehouase, re-use of existing

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as
772 + 758 Pacific Avenue	772 Pacific Avenue	11,139	Feb-27	175	176	137,976	13,725	151,701	$ 178,786	$ 128,538,844	$ 32,732,425	$ 161,450,055	$ 42,100,625	4% Credits; MHP, AHP	Type IA	15	
1939 Market Street	1939 Market Street	11,860	Feb-27	187	187	135,537	1,640	137,177	$ -	$ 130,917,392	$ 32,276,078	$ 163,193,470	$ 52,360,000	TCAC, AHSC	Type I	15	
1234 Great Highway	1234 Great Highway	46,125	Jan-28	199	201	157,127	6,619	163,746	$ 1,663,694	$ 127,371,724	$ 56,812,559	$ 185,847,977	$ 9,363,698	TCAC, MHP, IIG	Type I	8 (one-story ADHCC)	
MBS-4 East Phase 2	MBS-4 East Phase 2	22,869	2/1/2028	233	475	267,500	-	267,500	$-	$191,944,149	$53,447,916	$245,392,065	$102,100,000		Type I	23	70 SD 1/7/2026
MBS-4 East Phase 1	MBS-4 East Phase 1	22,869	2/1/2027	165	326	213,380	1,253	214,633	$-	$154,782,922	$39,747,077	$194,529,999	$95,600,000		Type I	17	

Attachment I: Predevelopment Budget

Application Date: 2/2/26 **# Units:** 314
Project Name: Transbay Block 4 West ***# Bedrooms:*** **LOSP Project**
Project Address: **# Beds:**
Project Sponsor: Mercy Housing California and Young Community Developers

							Total Sources	Comments	
SOURCES	5,000,000	-	-	-	-	-	5,000,000		
Name of Sources:	MOHCD/OCII								
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	1,500,000						1,500,000	MEPF deposits, MEPF preliminary design, precon management, switchgear deposit.	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		Construction line item costs as a % of hard costs
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	75,000						75,000		**4.6%**
GC Overhead & Profit	50,000						50,000		**3.1%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*1,625,000*	*0*	*0*	*0*	*0*	*0*	*1,625,000*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**1,625,000**	**0**	**0**	**0**	**0**	**0**	**1,625,000**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,000,000						1,000,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	500,000						500,000		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*1,500,000*	*0*	*0*	*0*	*0*	*0*	*1,500,000*		
Other Third Party design consultants (not included under Architect contract)	250,000						250,000	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**1,750,000**	**0**	**0**	**0**	**0**	**0**	**1,750,000**		
Engineering & Environmental Studies									
Survey	15,000						15,000		
Geotechnical studies	200,000						200,000		
Phase I & II Reports	40,000						40,000		
CEQA / Environmental Review consultants	50,000						50,000		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants	15,000						15,000	Archaeology	
Total Engineering & Environmental Studies	**320,000**	**0**	**0**	**0**	**0**	**0**	**320,000**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Legal Costs									
Borrower Legal fees	50,000						50,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**50,000**	**0**	**0**	**0**	**0**	**0**	**50,000**		
Other Development Costs									
Appraisal	10,000						10,000		
Market Study	15,000						15,000		
* Insurance							0		
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs							0		
Entitlement / Permit Fees	100,000						100,000		
* Marketing / Rent-up							0		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	100,000						100,000		
TCAC App / Alloc / Monitor Fees							0		
* Financial Consultant fees	50,000						50,000		
Construction Management fees / Owner's Rep	60,000						60,000		
Security during Construction							0		
* Relocation							0		
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**335,000**	**0**	**0**	**0**	**0**	**0**	**335,000**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	260,000	0	0	0	0	0	260,000	Should be either 10% or 5% of total soft costs.	**10.6%**
TOTAL SOFT COSTS	**2,715,000**	**0**	**0**	**0**	**0**	**0**	**2,715,000**		
RESERVES									
* Operating Reserves							0		
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	660,000						660,000		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**660,000**	**0**	**0**	**0**	**0**	**0**	**660,000**		
TOTAL DEVELOPMENT COST	**5,000,000**	**0**	**0**	**0**	**0**	**0**	**5,000,000**		
Development Cost/Unit by Source	15,924	0	0	0	0	0	15,924		
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	5,175	0	0	0	0	0	5,175		
Construction Cost (inc Const Contingency)/SF	6.19	0.00	0.00	0.00	0.00	0.00	6.19		

**Possible non-eligible GO Bond/COP Amount:*	*1,550,000*
City Subsidy/Unit	15,924
Tax Credit Equity Pricing:	N/A
Construction Bond Amount:	N/A
Construction Loan Term (in months):	N/A
Construction Loan Interest Rate (as %):	N/A

Attachment J: Development Budget

Application Date: 2/2/26 — **# Units:** 314
Project Name: Transbay Block 4 West — ***# Bedrooms:*** 626 — **LOSP Project**
Project Address: — **# Beds:**
Project Sponsor: Mercy Housing California and Young Community Developers

									Total Sources	Comments	
SOURCES	**103,607,502**	**35,000,000**	**12,272,405**	**124,620,769**	**2,000,000**	**1,500,000**	**5,000,000**	**-**	**284,000,676**		
Name of Sources:	MOHCD/OCII	HCD-AHSC	TE Perm Loan	Investor Equity	AHP	Deferred Dev Fee	Sponsor Equity	OCII Commercial			
USES											
ACQUISITION											
Acquisition cost or value									0		
Legal / Closing costs / Broker's Fee									0		
Holding Costs									0		
Transfer Tax									0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)											
* Unit Construction/Rehab	715,813	35,000,000	12,272,405	124,620,769	2,000,000		5,000,000		179,608,987	Include FF&E	
* Commercial Shell Construction	1,109,972								1,109,972		
* Demolition									0		
Environmental Remediation									0		
* Onsight Improvements/Landscaping	1,441,438								1,441,438		
* Offsite Improvements									0		Construction line item costs as a % of hard costs
* Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.	
Parking									0		
GC Bond Premium/GC Insurance/GC Taxes	10,868,882								10,868,882		**5.0%**
GC Overhead & Profit	13,782,168								13,782,168		**6.4%**
CG General Conditions	10,103,302								10,103,302		**4.7%**
Sub-total Construction Costs	*38,021,575*	*35,000,000*	*12,272,405*	*124,620,769*	*2,000,000*	*0*	*5,000,000*	*0*	*216,914,749*		
Design Contingency (remove at DD)	6,507,442								6,507,442	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**3.0%**
Bid Contingency (remove at bid)	6,507,442								6,507,442	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**3.0%**
Plan Check Contingency (remove/reduce during Plan Rev	4,366,015								4,366,015	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**2.0%**
Hard Cost Construction Contingency	10,900,000								10,900,000	5% new construction / 15% rehab	**5.0%**
Sub-total Construction Contingencies	*28,280,900*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*28,280,900*		
TOTAL CONSTRUCTION COSTS	**66,302,475**	**35,000,000**	**12,272,405**	**124,620,769**	**2,000,000**	**0**	**5,000,000**	**0**	**245,195,649**		
SOFT COSTS											
Architecture & Design											
Architect design fees	5,500,000								5,500,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)									0		
Architect Construction Admin									0		
Reimbursables									0		
Additional Services									0		
Sub-total Architect Contract	*5,500,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*5,500,000*		
Other Third Party design consultants (not included under Architect contract)	800,000								800,000	Consultants not covered under architect contract; joint trench, civil, special inspections.	
Total Architecture & Design	**6,300,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,300,000**		
Engineering & Environmental Studies											
Survey	50,000								50,000		
Geotechnical studies	425,000								425,000		
Phase I & II Reports	50,000								50,000	Soils and site testing.	
CEQA / Environmental Review consultants	50,000								50,000	Addendum studies.	
NEPA / 106 Review									0		
CNA/PNA (rehab only)									0		
Other environmental consultants	50,000								50,000	Corrosion, archaeology, arborist, corrosion, GPR, Native American monitoring.	
Total Engineering & Environmental Studies	**625,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**625,000**		
Financing Costs											
Construction Financing Costs											
Construction Loan Origination Fee	599,138								599,138		
Construction Loan Interest	11,910,700								11,910,700		
Title & Recording	40,000								40,000		
CDLAC & CDIAC fees									0		
Bond Issuer Fees	160,197								160,197		
Other Bond Cost of Issuance	240,000								240,000		
MOHCD Origination	620,000								620,000		
Sub-total Const. Financing Costs	*13,570,035*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*13,570,035*		
Permanent Financing Costs											
Permanent Loan Origination Fee	122,724								122,724		
Credit Enhance. & Appl. Fee	*40,000*								40,000		
Title & Recording	35,000								35,000		
Sub-total Perm. Financing Costs	*197,724*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*197,724*		
Total Financing Costs	**13,767,759**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**13,767,759**		
Legal Costs											
Borrower Legal fees	150,000								150,000		
Land Use / CEQA Attorney fees									0		
Tax Credit Counsel									0		
Bond Counsel									0		
Construction Lender Counsel									0		
Permanent Lender Counsel	65,000								65,000		
* Other Legal (specify)									0		
Total Legal Costs	**215,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**215,000**		
Other Development Costs											
Appraisal	20,000								20,000		
Market Study	25,000								25,000		
* Insurance	800,000								800,000		
* Property Taxes									0		
Accounting / Audit	50,000								50,000		
* Organizational Costs									0		
Entitlement / Permit Fees	2,000,000								2,000,000		
* Marketing / Rent-up	750,000								750,000		
* Furnishings	1,060,100								1,060,100	$2,500/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	500,000								500,000		
TCAC App / Alloc / Monitor Fees	267,208								267,208		
* Financial Consultant fees	130,000								130,000		
Construction Management fees / Owner's Rep	250,000								250,000		
Security during Construction									0		
* Relocation									0		
Other (specify)									0		
Other (specify)									0		
Other (specify)									0		Soft Cost Contingency as % of Total Applicable Soft Costs
Total Other Development Costs	**5,852,308**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5,852,308**		
Soft Cost Contingency											
Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,412,751	0	0	0	0	0	0	0	1,412,751	Should be either 10% or 5% of total soft costs.	**5.3%**
TOTAL SOFT COSTS	**28,172,818**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28,172,818**		
RESERVES											
* Operating Reserves	1,415,363								1,415,363		
Replacement Reserves									0		
* Tenant Improvements Reserves	1,000,000								1,000,000		
* HCD Pooled Transition Reserve	28,350								28,350		
* Commercial Vacancy Reserve	263,497								263,497		
* Other (specify)									0		
TOTAL RESERVES	**2,707,210**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,707,210**		
DEVELOPER COSTS											
Developer Fee - Cash-out Paid at Milestones	6,000,000								6,000,000		
Developer Fee - Cash-out At Risk									0		
Commercial Developer Fee	425,000								425,000		
Developer Fee - GP Equity (also show as source)									0		
Developer Fee - Deferred (also show as source)						1,500,000			1,500,000		
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)									0		
TOTAL DEVELOPER COSTS	**6,425,000**	**0**	**0**	**0**	**0**	**1,500,000**	**0**	**0**	**7,925,000**		
TOTAL DEVELOPMENT COST	**103,607,502**	**35,000,000**	**12,272,405**	**124,620,769**	**2,000,000**	**1,500,000**	**5,000,000**	**0**	**284,000,676**		
Development Cost/Unit by Source	329,960	111,465	39,084	396,881	6,369	4,777	15,924	0	904,461		
Development Cost/Unit as % of TDC by Source	36.5%	12.3%	4.3%	43.9%	0.7%	0.5%	1.8%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	211,154	111,465	39,084	396,881	6,369	0	15,924	0	780,878		
Construction Cost (inc Const Contingency)/SF	252.68	133.38	46.77	474.93	7.62	0.00	19.05	0.00	934.43		

**Possible non-eligible GO Bond/COP Amount:*	*8,714,533*
City Subsidy/Unit	329,960
Tax Credit Equity Pricing:	0.900
Construction Bond Amount:	79,885,109
Construction Loan Term (in months):	35 months
Construction Loan Interest Rate (as %):	7.00%

Attachment K: 1st Year Operating Budget

Application Date:	**2/2/2026**	LOSP Units	Non-LOSP Units	**Project Name:**	**Transbay Block 4 West**
Total # Units:	**314**	63	251	**Project Address:**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2030**	LOSP/non-LOSP Allocation 20%	80%	**Project Sponsor:**	**Mercy Housing California and Young Community Developers**

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments		PUPA	PUPM
Residential - Tenant Rents	189,000	5,251,032	5,440,032	Links from 'New Proj - Rent & Unit Mix' Worksheet		17,325	1,444
Residential - Tenant Assistance Payments (SOS Payments)		0	0	Comments			
Residential - Tenant Assistance Payments (Other Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet		-	-
Residential - LOSP Tenant Assistance Payments	884,384		884,384			14,038	
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet		-	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		-	
Supportive Services Income	0	0				-	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		-	
Laundry and Vending	3,755	15,022	18,777	Links from 'Utilities & Other Income' Worksheet		60	
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet		-	
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		-	
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0				-	
Gross Potential Income	**1,077,139**	**5,266,054**	**6,343,193**	*Vacancy Formulas use percentages entered in cells G25-26; can be overridden, use negative #s!*			
Vacancy Loss - Residential - Tenant Rents	(9,450)	(262,552)	(272,002)	5%	Vacancy loss is 5% of Tenant Rents.	(866)	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	5%	#DIV/0!	-	
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
EFFECTIVE GROSS INCOME	**1,067,689**	**5,003,502**	**6,071,191**	*PUPA: 19,335*			
OPERATING EXPENSES							
Management							
Management Fee	50,856	203,424	254,280	1st Year to be set according to HUD schedule.		810	67
Asset Management Fee	6,178	24,712	30,890			98	
Sub-total Management Expenses	**57,034**	**228,136**	**285,170**	*PUPA: 908*			
Salaries/Benefits							
Office Salaries	38,682	154,727	193,409	Links from 'Staffing' Worksheet		616	
Manager's Salary	18,038	72,151	90,189	Links from 'Staffing' Worksheet		287	
Health Insurance and Other Benefits	51,874	207,497	259,371			826	
Other Salaries/Benefits	3,262	13,050	16,312			52	
Administrative Rent-Free Unit	0	0				-	
Sub-total Salaries/Benefits	**111,856**	**447,425**	**559,281**	*PUPA: 1,781*			
Administration							
Advertising and Marketing	1,956	7,824	9,780			31	
Office Expenses	24,574	98,297	122,871			391	
Office Rent	0	0				-	
Legal Expense - Property	3,000	12,000	15,000			48	
Audit Expense	6,280	25,120	31,400			100	
Bookkeeping/Accounting Services	9,420	37,680	47,100			150	
Bad Debts	0	0				-	
Miscellaneous	0	0				-	
Sub-total Administration Expenses	**45,230**	**180,921**	**226,151**	*PUPA: 720*			
Utilities							
Electricity	77,832	311,328	389,160			1,239	103
Water	35,988	143,952	179,940			573	48
Gas	0	0				-	-
Sewer	61,153	244,611	305,764			974	81
Sub-total Utilities	**174,973**	**699,891**	**874,864**	*PUPA: 2,786*			
Taxes and Licenses							
Real Estate Taxes	5,000	20,000	25,000			80	
Payroll Taxes	17,000	68,000	85,000			271	
Miscellaneous Taxes, Licenses and Permits	1,500	6,000	7,500			24	
Sub-total Taxes and Licenses	**23,500**	**94,000**	**117,500**	*PUPA: 374*			
Insurance							
Property and Liability Insurance	150,000	600,000	750,000			2,389	
Fidelity Bond Insurance	0	0				-	
Worker's Compensation	15,000	60,000	75,000			239	
Director's & Officers' Liability Insurance	0	0				-	
Sub-total Insurance	**165,000**	**660,000**	**825,000**	*PUPA: 2,627*			
Maintenance & Repair							
Payroll	51,659	206,635	258,294	Links from 'Staffing' Worksheet		823	
Supplies	6,760	27,040	33,800			108	
Contracts	83,041	332,165	415,206	elevator, maint, fire, grounds, window cleaning, exterminating, high-rise eng		1,322	
Garbage and Trash Removal	48,258	193,031	241,289			768	
Security Payroll/Contract	218,400	72,800	291,200	Links from 'Staffing' Worksheet		927	
HVAC Repairs and Maintenance	9,000	36,000	45,000			143	
Vehicle and Maintenance Equipment Operation and Repairs	0	0				-	
Miscellaneous Operating and Maintenance Expenses	0	0				-	
Sub-total Maintenance & Repair Expenses	**417,118**	**867,671**	**1,284,789**	*PUPA: 4,092*			
Supportive Services	0	300,000	300,000	Links from 'Staffing' Worksheet		955	
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
TOTAL OPERATING EXPENSES	***994,711***	***3,478,044***	***4,472,755***	*PUPA: 14,244*			
Reserves/Ground Lease Base Rent/Bond Fees							
Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.	48	
Bond Monitoring Fee	1,500	6,000	7,500			24	
Replacement Reserve Deposit	31,400	125,600	157,000			500	
Operating Reserve Deposit	0	0				-	
Other Required Reserve 1 Deposit	0	0				-	
Other Required Reserve 2 Deposit	0	0				-	
Required Reserve Deposit/s, Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**35,900**	**143,600**	**179,500**	*PUPA: 572*			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,030,611**	**3,621,644**	**4,652,255**	*PUPA: 14,816*			
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**37,078**	**1,381,858**	**1,418,936**	*PUPA: 4,519*			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)							
Hard Debt - First Lender	0	862,196	862,196	Tax-Exempt Permanent Loan	Provide additional comments here, if needed.		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	29,400	117,600	147,000	HCD AHSC	Provide additional comments here, if needed.		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.		
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.		
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			
TOTAL HARD DEBT SERVICE	**29,400**	**979,796**	**1,009,196**	*PUPA: 3,214*			
CASH FLOW (NOI minus DEBT SERVICE)	**7,678**	**402,062**	**409,740**				
Commercial Only Cash Flow			0				
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0					
AVAILABLE CASH FLOW	**7,678**	**402,062**	**409,740**				
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*1.41*				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL							
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0					
Partnership Management Fee (see policy for limits)	6,178	24,712	30,890			Enter order for pymt (i.e., 1st,	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,500	6,000	7,500			Enter order for pymt (i.e., 1st,	
Other Payments	0	0					
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.		
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0	0	Def. Develop. Fee split: 0%	Provide additional comments here, if needed.		
TOTAL PAYMENTS PRECEDING MOHCD	**7,678**	**30,712**	**38,390**	*PUPA: 122*			
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**371,350**	**371,350**				

Min DSCR:	1.15
Mortgage Rate:	5.00%
Term (Years):	30
Supportable 1st Mortgage Pmt:	1,106,032
Supportable 1st Mortgage Amt:	$17,169,445
Proposed 1st Mortgage Amt:	$12,272,405

Split	Item	LOSP	non-LOSP	Approved By (reqd)
Alternative LOSP Split	Residential - Tenant Rents			
	Residential - Tenant Assistance Payments (Other Non-LOSP)			
Alternative LOSP Split	Supportive Services Income			
Projected LOSP Split (only acceptabl	Tenant Charges			
Alternative LOSP Split	Withdrawal from Capitalized Reserve (deposit to operating account)			
Alternative LOSP Split	Management Fee			
	Asset Management Fee			
Alternative LOSP Split	Office Salaries			
	Manager's Salary			
	Health Insurance and Other Benefits			
	Other Salaries/Benefits			
	Administrative Rent-Free Unit			
Projected LOSP Split (only acceptabl	Legal Expense - Property	20.00%	80.00%	
Projected LOSP Split (only acceptabl	Bad Debts			
Projected LOSP Split (only acceptabl	Electricity	20.00%	80.00%	
Alternative LOSP Split	Real Estate Taxes			
	Payroll Taxes			
Alternative LOSP Split	Worker's Compensation			
Alternative LOSP Split	Payroll			
	Supplies		100.00%	(LOSP-specific
	Contracts			
Alternative LOSP Split	Security Payroll/Contract	75.00%	25.00%	
Alternative LOSP Split	Supportive Services	0.00%	100.00%	
Alternative LOSP Split	Replacement Reserve Deposit			
	Operating Reserve Deposit			
	Other Required Reserve 1 Deposit			
Alternative LOSP Split	Hard Debt - First Lender	0% 0.00%	100.00%	
	Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			
	Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			
	Hard Debt - Fourth Lender			
	Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)			
Alternative LOSP Split	Other Payments			
	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0%		
	Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0.00%	100.00%	

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**
Will Project Defer Developer Fee?	**Yes**		
		Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**185,675**
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Sum of DD F from LOSP and non-LOSP:	0
% of Residual Receipts available for distribution to **soft debt lenders** in Yr 1	50%	Ratio of Sum of DDF and calculated 50%:	#DIV/0!

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

Enter Total MOHCD/OCCI Principal Loa

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	371,350	371,350	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	371,350	371,350	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		0	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due		0	
Lender 4 Residual Receipts Due		0	
Lender 5 Residual Receipts Due		0	
Total Non-MOHCD Residual Receipts Debt Service		0	
REMAINDER (Should be zero unless there are distributions below)		0	
Owner Distributions/Incentive Management Fee		0	
Other Distributions/Uses		0	
Final Balance (should be zero)		0	

Attachment L: 20-year Operating Proforma

Transbay Block 4 West

	LOSP Units	Non-LOSP Units	Year 1			Year 2			Year 3			Year 4			Year 5			Year 6			Year 7	
Total # Units: 314	*63*	*251*	2030			2031			2032			2033			2034			2035			2036	
	20.00%	*80.00%*																				
INCOME	**% annual inc LOSP**	**% annual increase**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***
Residential - Tenant Rents	1.0%	2.5%	189,000	5,251,032	5,440,032	190,890	5,382,308	5,573,198	192,799	5,516,865	5,709,664	194,727	5,654,787	5,849,514	196,674	5,796,157	5,992,831	198,641	5,941,061	6,139,702	200,627	6,089,587
Residential - SOS Payments		4.0%			-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	884,384	-	884,384	917,525	-	917,525	951,873	-	951,873	987,469	-	987,469	1,024,357	-	1,024,357	1,062,584	-	1,062,584	1,102,197	-
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			**1,077,139**	**5,266,054**	**6,343,193**	**1,112,265**	**5,397,705**	**6,509,970**	**1,148,617**	**5,532,648**	**6,681,265**	**1,186,240**	**5,670,964**	**6,857,204**	**1,225,177**	**5,812,738**	**7,037,915**	**1,265,474**	**5,958,056**	**7,223,531**	**1,307,179**	**6,107,008**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(9,450)	(262,552)	(272,002)	(9,545)	(269,115)	(278,660)	(9,640)	(275,843)	(285,483)	(9,736)	(282,739)	(292,476)	(9,834)	(289,808)	(299,642)	(9,932)	(297,053)	(306,985)	(10,031)	(304,479)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**1,067,689**	**5,003,502**	**6,071,191**	**1,102,720**	**5,128,590**	**6,231,310**	**1,138,977**	**5,256,804**	**6,395,782**	**1,176,503**	**5,388,225**	**6,564,728**	**1,215,343**	**5,522,930**	**6,738,273**	**1,255,542**	**5,661,003**	**6,916,546**	**1,297,148**	**5,802,529**
OPERATING EXPENSES																						
Management	3.5%	3.5%	57,034	228,136	285,170	59,030	236,121	295,151	61,096	244,385	305,481	63,235	252,938	316,173	65,448	261,791	327,239	67,739	270,954	338,693	70,109	280,437
Salaries/Benefits	3.5%	3.5%	111,856	447,425	559,281	115,771	463,085	578,856	119,823	479,293	599,116	124,017	496,068	620,085	128,358	513,430	641,788	132,850	531,400	664,250	137,500	549,999
Administration	3.5%	3.5%	45,230	180,921	226,151	46,813	187,253	234,066	48,452	193,807	242,259	50,148	200,590	250,738	51,903	207,611	259,513	53,719	214,877	268,596	55,599	222,398
Utilities	3.5%	3.5%	174,973	699,891	874,864	181,097	724,387	905,484	187,435	749,741	937,176	193,995	775,982	969,977	200,785	803,141	1,003,927	207,813	831,251	1,039,064	215,086	860,345
Taxes and Licenses	3.5%	3.5%	23,500	94,000	117,500	24,323	97,290	121,613	25,174	100,695	125,869	26,055	104,219	130,274	26,967	107,867	134,834	27,911	111,643	139,553	28,888	115,550
Insurance	3.5%	3.5%	165,000	660,000	825,000	170,775	683,100	853,875	176,752	707,009	883,761	182,938	731,754	914,692	189,341	757,365	946,706	195,968	783,873	979,841	202,827	811,309
Maintenance & Repair	3.5%	3.5%	417,118	867,671	1,284,789	431,717	898,040	1,329,757	446,827	929,471	1,376,298	462,466	962,003	1,424,469	478,652	995,673	1,474,325	495,405	1,030,521	1,525,926	512,744	1,066,589
Supportive Services	3.5%	3.5%	-	300,000	300,000	-	310,500	310,500	-	321,368	321,368	-	332,615	332,615	-	344,257	344,257	-	356,306	356,306	-	368,777
Commercial Expenses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**994,711**	**3,478,044**	**4,472,755**	**1,029,526**	**3,599,775**	**4,629,301**	**1,065,559**	**3,725,768**	**4,791,327**	**1,102,854**	**3,856,169**	**4,959,023**	**1,141,454**	**3,991,135**	**5,132,589**	**1,181,405**	**4,130,825**	**5,312,230**	**1,222,754**	**4,275,404**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)					***14,244***																	
Reserves/Ground Lease Base Rent/Bond Fees																						
Ground Lease Base Rent			3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000
Bond Monitoring Fee			1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000
Replacement Reserve Deposit			31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600
Operating Reserve Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,030,611**	**3,621,644**	**4,652,255**	**1,065,426**	**3,743,375**	**4,808,801**	**1,101,459**	**3,869,368**	**4,970,827**	**1,138,754**	**3,999,769**	**5,138,523**	**1,177,354**	**4,134,735**	**5,312,089**	**1,217,305**	**4,274,425**	**5,491,730**	**1,258,654**	**4,419,004**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)					***14,816***																	
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**37,078**	**1,381,858**	**1,418,936**	**37,294**	**1,385,214**	**1,422,509**	**37,518**	**1,387,437**	**1,424,955**	**37,750**	**1,388,455**	**1,426,205**	**37,989**	**1,388,195**	**1,426,184**	**38,238**	**1,386,578**	**1,424,816**	**38,494**	**1,383,525**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																						
Hard Debt - First Lender			-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**
CASH FLOW (NOI minus DEBT SERVICE)			**7,678**	**402,062**	**409,740**	**7,894**	**405,418**	**413,313**	**8,118**	**407,641**	**415,759**	**8,350**	**408,659**	**417,009**	**8,589**	**408,399**	**416,988**	**8,838**	**406,782**	**415,620**	**9,094**	**403,729**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		**DSCR:**			***1.406***			***1.41***			***1.412***			***1.413***			***1.413***			***1.412***		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																						
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	150,000	150,000	-	150,000	150,000	-	150,000	150,000	-	150,000	150,000	-	150,000	150,000	-	100,000
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	6,178	24,712	30,890	6,394	25,577	31,971	6,618	26,472	33,090	6,850	27,399	34,248	7,089	28,358	35,447	7,338	29,350	36,688	7,594	30,377
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			**7,678**	**30,712**	**38,390**	**7,894**	**181,577**	**189,471**	**8,118**	**182,472**	**190,590**	**8,350**	**183,399**	**191,748**	**8,589**	**184,358**	**192,947**	**8,838**	**185,350**	**194,188**	**9,094**	**136,377**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**-**	**371,350**	**371,350**	**(0)**	**223,841**	**223,841**	**0**	**225,169**	**225,169**	**0**	**225,260**	**225,260**	**(0)**	**224,041**	**224,041**	**0**	**221,432**	**221,432**	**0**	**267,351**
Does Project have a MOHCD Residual Receipt Obligation?		**Yes**																				
Will Project Defer Developer Fee?		**Yes**																				
1st Residual Receipts Split - Lender/Deferred Developer Fee		**50% / 50%**																				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans																				
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease					-			-			-			-			-			-		
Proposed MOHCD Residual Receipts Amount to Replacement Reserve					-			-			-			-			-			-		
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					**-**			**-**			**-**			**-**			**-**			**-**		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																						
HCD Residual Receipts Amount Due		0.00%			-			-			-			-			-			-		
Lender 4 Residual Receipts Due		0.00%			-			-			-			-			-			-		
Lender 5 Residual Receipts Due		0.00%			-			-			-			-			-			-		
Total Non-MOHCD Residual Receipts Debt Service					**-**			**-**			**-**			**-**			**-**			**-**		
REMAINDER (Should be zero unless there are distributions below)					**-**			**-**			**-**			**-**			**-**			**-**		
Owner Distributions/Incentive Management Fee					-			-			-			-			-			-		
Other Distributions/Uses					-			-			-			-			-			-		
Final Balance (should be zero)					**-**			**-**			**-**			**-**			**-**			**-**		
RR Running Balance					**157,000**			**314,000**			**471,000**			**628,000**			**785,000**			**942,000**		
OR Running Balance					**-**			**-**			**-**			**-**			**-**			**-**		
Other Required Reserve 1 Running Balance					**-**			**-**			**-**			**-**			**-**			**-**		
Other Required Reserve 2 Running Balance					**-**			**-**			**-**			**-**			**-**			**-**		
DEFERRED DEVELOPER FEE - RUNNING BALANCE																						
Developer Fee Starting Balance					1,500,000			1,500,000			1,350,000			1,200,000			1,050,000			900,000		
Deferred Developer Fee Earned in Year					-			150,000			150,000			150,000			150,000			150,000		
Developer Fee Remaining Balance					**1,500,000**			**1,350,000**			**1,200,000**			**1,050,000**			**900,000**			**750,000**		

Transbay Block 4 West

	LOSP Units	Non-LOSP Units		Year 8			Year 9			Year 10			Year 11			Year 12			Year 13			
Total # Units: 314	*63*	*251*		2037			2038			2039			2040			2041			2042			
	20.00%	*80.00%*																				
INCOME	% annual inc LOSP	% annual increase	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***
Residential - Tenant Rents	1.0%	2.5%	6,290,215	202,634	6,241,827	6,444,461	204,660	6,397,873	6,602,533	206,707	6,557,819	6,764,526	208,774	6,721,765	6,930,538	210,861	6,889,809	7,100,670	212,970	7,062,054	7,275,024	215,100
Residential - SOS Payments		4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	1,102,197	1,143,244	-	1,143,244	1,185,777	-	1,185,777	1,229,848	-	1,229,848	1,275,511	-	1,275,511	1,322,822	-	1,322,822	1,371,840	-	1,371,840	1,422,625
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			**7,414,187**	**1,350,342**	**6,259,683**	**7,610,025**	**1,395,013**	**6,416,175**	**7,811,188**	**1,441,244**	**6,576,580**	**8,017,824**	**1,489,091**	**6,740,994**	**8,230,085**	**1,538,611**	**6,909,519**	**8,448,130**	**1,589,860**	**7,082,257**	**8,672,117**	**1,642,901**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(314,511)	(10,132)	(312,091)	(322,223)	(10,233)	(319,894)	(330,127)	(10,335)	(327,891)	(338,226)	(10,439)	(336,088)	(346,527)	(10,543)	(344,490)	(355,034)	(10,648)	(353,103)	(363,751)	(10,755)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**7,099,677**	**1,340,210**	**5,947,592**	**7,287,802**	**1,384,780**	**6,096,282**	**7,481,061**	**1,430,909**	**6,248,689**	**7,679,598**	**1,478,653**	**6,404,906**	**7,883,559**	**1,528,068**	**6,565,028**	**8,093,096**	**1,579,212**	**6,729,154**	**8,308,366**	**1,632,146**
OPERATING EXPENSES																						
Management	3.5%	3.5%	350,547	72,563	290,253	362,816	75,103	300,412	375,514	77,731	310,926	388,657	80,452	321,808	402,260	83,268	333,072	416,340	86,182	344,729	430,911	89,199
Salaries/Benefits	3.5%	3.5%	687,499	142,312	569,249	711,561	147,293	589,173	736,466	152,448	609,794	762,242	157,784	631,137	788,921	163,307	653,227	816,533	169,022	676,089	845,112	174,938
Administration	3.5%	3.5%	277,997	57,545	230,182	287,727	59,560	238,238	297,798	61,644	246,576	308,221	63,802	255,207	319,008	66,035	264,139	330,174	68,346	273,384	341,730	70,738
Utilities	3.5%	3.5%	1,075,431	222,614	890,457	1,113,071	230,406	921,623	1,152,029	238,470	953,880	1,192,350	246,816	987,266	1,234,082	255,455	1,021,820	1,277,275	264,396	1,057,584	1,321,980	273,650
Taxes and Licenses	3.5%	3.5%	144,438	29,899	119,594	149,493	30,945	123,780	154,725	32,028	128,112	160,140	33,149	132,596	165,745	34,309	137,237	171,546	35,510	142,040	177,551	36,753
Insurance	3.5%	3.5%	1,014,136	209,926	839,704	1,049,630	217,273	869,094	1,086,367	224,878	899,512	1,124,390	232,749	930,995	1,163,744	240,895	963,580	1,204,475	249,326	997,305	1,246,632	258,053
Maintenance & Repair	3.5%	3.5%	1,579,334	530,690	1,103,920	1,634,610	549,264	1,142,557	1,691,822	568,489	1,182,547	1,751,036	588,386	1,223,936	1,812,322	608,979	1,266,774	1,875,753	630,294	1,311,111	1,941,404	652,354
Supportive Services	3.5%	3.5%	368,777	-	381,684	381,684	-	395,043	395,043	-	408,869	408,869	-	423,180	423,180	-	437,991	437,991	-	453,321	453,321	-
Commercial Expenses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**5,498,158**	**1,265,550**	**4,425,043**	**5,690,593**	**1,309,844**	**4,579,920**	**5,889,764**	**1,355,689**	**4,740,217**	**6,095,906**	**1,403,138**	**4,906,124**	**6,309,262**	**1,452,248**	**5,077,839**	**6,530,087**	**1,503,077**	**5,255,563**	**6,758,640**	**1,555,684**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																						
Reserves/Ground Lease Base Rent/Bond Fees																						
Ground Lease Base Rent			15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000
Bond Monitoring Fee			7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500
Replacement Reserve Deposit			157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400
Operating Reserve Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**5,677,658**	**1,301,450**	**4,568,643**	**5,870,093**	**1,345,744**	**4,723,520**	**6,069,264**	**1,391,589**	**4,883,817**	**6,275,406**	**1,439,038**	**5,049,724**	**6,488,762**	**1,488,148**	**5,221,439**	**6,709,587**	**1,538,977**	**5,399,163**	**6,938,140**	**1,591,584**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																						
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**1,422,019**	**38,760**	**1,378,949**	**1,417,709**	**39,035**	**1,372,762**	**1,411,797**	**39,320**	**1,364,872**	**1,404,192**	**39,615**	**1,355,181**	**1,394,796**	**39,920**	**1,343,590**	**1,383,509**	**40,235**	**1,329,991**	**1,370,226**	**40,562**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																						
Hard Debt - First Lender			862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**
CASH FLOW (NOI minus DEBT SERVICE)			**412,823**	**9,360**	**399,153**	**408,513**	**9,635**	**392,966**	**402,601**	**9,920**	**385,076**	**394,996**	**10,215**	**375,385**	**385,600**	**10,520**	**363,794**	**374,313**	**10,835**	**350,195**	**361,030**	**11,162**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		**DSCR:**	***1.409***			***1.405***			***1.399***			***1.391***			***1.382***			***1.371***			***1.358***	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																						
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	100,000	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	37,972	7,860	31,441	39,301	8,135	32,541	40,676	8,420	33,680	42,100	8,715	34,859	43,573	9,020	36,079	45,098	9,335	37,342	46,677	9,662
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			**145,472**	**9,360**	**137,441**	**146,801**	**9,635**	**138,541**	**148,176**	**9,920**	**139,680**	**149,600**	**10,215**	**140,859**	**151,073**	**10,520**	**142,079**	**152,598**	**10,835**	**143,342**	**154,177**	**11,162**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**267,351**	**(0)**	**261,712**	**261,712**	**0**	**254,425**	**254,425**	**0**	**245,396**	**245,396**	**-**	**234,527**	**234,527**	**0**	**221,715**	**221,715**	**(0)**	**206,853**	**206,853**	**(0)**
Does Project have a MOHCD Residual Receipt Obligation?		**Yes**																				
Will Project Defer Developer Fee?		**Yes**																				
1st Residual Receipts Split - Lender/Deferred Developer Fee		**50% / 50%**																				
		Dist. Soft Debt Loans																				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																						
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-			-			-			-			-			-			-	
Proposed MOHCD Residual Receipts Amount to Replacement Reserve			-			-			-			-			-			-			-	
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			-			-			-			-			-			-			-	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																						
HCD Residual Receipts Amount Due		0.00%	-			-			-			-			-			-			-	
Lender 4 Residual Receipts Due		0.00%	-			-			-			-			-			-			-	
Lender 5 Residual Receipts Due		0.00%	-			-			-			-			-			-			-	
Total Non-MOHCD Residual Receipts Debt Service			-			-			-			-			-			-			-	
REMAINDER (Should be zero unless there are distributions below)			-			-			-			-			-			-			-	
Owner Distributions/Incentive Management Fee			-			-			-			-			-			-			-	
Other Distributions/Uses			-			-			-			-			-			-			-	
Final Balance (should be zero)			-			-			-			-			-			-			-	
RR Running Balance			**1,099,000**			**1,256,000**			**1,413,000**			**1,570,000**			**1,727,000**			**1,884,000**			**2,041,000**	
OR Running Balance			-			-			-			-			-			-			-	
Other Required Reserve 1 Running Balance			-			-			-			-			-			-			-	
Other Required Reserve 2 Running Balance			-			-			-			-			-			-			-	
DEFERRED DEVELOPER FEE - RUNNING BALANCE																						
Developer Fee Starting Balance			750,000			650,000			550,000			450,000			350,000			250,000			150,000	
Deferred Developer Fee Earned in Year			100,000			100,000			100,000			100,000			100,000			100,000			100,000	
Developer Fee Remaining Balance			**650,000**			**550,000**			**450,000**			**350,000**			**250,000**			**150,000**			**50,000**	

Transbay Block 4 West

Total # Units:	LOSP Units	Non-LOSP Units	Year 14		Year 15			Year 16			Year 17			Year 18			Year 19			Year 20		
314	*63*	*251*	2043		2044			2045			2046			2047			2048			2049		
	20.00%	*80.00%*																				
INCOME	% annual inc LOSP	% annual increase	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total
Residential - Tenant Rents	1.0%	2.5%	7,238,606	7,453,705	217,251	7,419,571	7,636,821	219,423	7,605,060	7,824,483	221,617	7,795,187	8,016,804	223,834	7,990,066	8,213,900	226,072	8,189,818	8,415,890	228,333	8,394,563	8,622,896
Residential - SOS Payments		4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	-	1,422,625	1,475,239	-	1,475,239	1,529,747	-	1,529,747	1,586,216	-	1,586,216	1,644,715	-	1,644,715	1,705,315	-	1,705,315	1,768,091	-	1,768,091
Commercial Space	n/a	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			**7,259,313**	**8,902,215**	**1,697,796**	**7,440,796**	**9,138,592**	**1,754,609**	**7,626,816**	**9,381,425**	**1,813,408**	**7,817,486**	**9,630,895**	**1,874,263**	**8,012,924**	**9,887,186**	**1,937,244**	**8,213,247**	**#########**	**2,002,427**	**8,418,578**	**#########**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(361,930)	(372,685)	(10,863)	(370,979)	(381,841)	(10,971)	(380,253)	(391,224)	(11,081)	(389,759)	(400,840)	(11,192)	(399,503)	(410,695)	(11,304)	(409,491)	(420,794)	(11,417)	(419,728)	(431,145)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**6,897,383**	**8,529,529**	**1,686,934**	**7,069,818**	**8,756,751**	**1,743,638**	**7,246,563**	**8,990,201**	**1,802,328**	**7,427,727**	**9,230,055**	**1,863,071**	**7,613,420**	**9,476,491**	**1,925,940**	**7,803,756**	**9,729,696**	**1,991,010**	**7,998,850**	**9,989,860**
OPERATING EXPENSES																						
Management	3.5%	3.5%	356,795	445,993	92,321	369,282	461,603	95,552	382,207	477,759	98,896	395,585	494,481	102,358	409,430	511,788	105,940	423,760	529,700	109,648	438,592	548,240
Salaries/Benefits	3.5%	3.5%	699,753	874,691	181,061	724,244	905,305	187,398	749,592	936,991	193,957	775,828	969,785	200,746	802,982	1,003,728	207,772	831,087	1,038,858	215,044	860,175	1,075,218
Administration	3.5%	3.5%	282,952	353,690	73,214	292,856	366,069	75,776	303,105	378,882	78,429	313,714	392,143	81,174	324,694	405,868	84,015	336,058	420,073	86,955	347,820	434,776
Utilities	3.5%	3.5%	1,094,599	1,368,249	283,228	1,132,910	1,416,138	293,140	1,172,562	1,465,702	303,400	1,213,602	1,517,002	314,019	1,256,078	1,570,097	325,010	1,300,040	1,625,050	336,385	1,345,542	1,681,927
Taxes and Licenses	3.5%	3.5%	147,012	183,765	38,039	152,157	190,197	39,371	157,483	196,853	40,749	162,995	203,743	42,175	168,700	210,874	43,651	174,604	218,255	45,179	180,715	225,894
Insurance	3.5%	3.5%	1,032,211	1,290,264	267,085	1,068,338	1,335,423	276,433	1,105,730	1,382,163	286,108	1,144,431	1,430,538	296,121	1,184,486	1,480,607	306,486	1,225,943	1,532,429	317,213	1,268,851	1,586,064
Maintenance & Repair	3.5%	3.5%	1,357,000	2,009,354	675,186	1,404,495	2,079,681	698,818	1,453,652	2,152,470	723,276	1,504,530	2,227,806	748,591	1,557,188	2,305,779	774,792	1,611,690	2,386,482	801,910	1,668,099	2,470,009
Supportive Services	3.5%	3.5%	469,187	469,187	-	485,608	485,608	-	502,605	502,605	-	520,196	520,196	-	538,403	538,403	-	557,247	557,247	-	576,750	576,750
Commercial Expenses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**5,439,508**	**6,995,192**	**1,610,133**	**5,629,891**	**7,240,024**	**1,666,488**	**5,826,937**	**7,493,425**	**1,724,815**	**6,030,880**	**7,755,695**	**1,785,183**	**6,241,960**	**8,027,144**	**1,847,665**	**6,460,429**	**8,308,094**	**1,912,333**	**6,686,544**	**8,598,877**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																						
Reserves/Ground Lease Base Rent/Bond Fees																						
Ground Lease Base Rent			12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000	3000	12000	15,000
Bond Monitoring Fee			6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500	1500	6000	7,500
Replacement Reserve Deposi			125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000	31400	125600	157,000
Operating Reserve Deposi			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposi			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposi			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercia			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**	**35,900**	**143,600**	**179,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees			**5,583,108**	**7,174,692**	**1,646,033**	**5,773,491**	**7,419,524**	**1,702,388**	**5,970,537**	**7,672,925**	**1,760,715**	**6,174,480**	**7,935,195**	**1,821,083**	**6,385,560**	**8,206,644**	**1,883,565**	**6,604,029**	**8,487,594**	**1,948,233**	**6,830,144**	**8,778,377**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																						
NET OPERATING INCOME (INCOME minus OP EXPENSES			**1,314,275**	**1,354,837**	**40,900**	**1,296,327**	**1,337,227**	**41,250**	**1,276,026**	**1,317,277**	**41,613**	**1,253,247**	**1,294,860**	**41,988**	**1,227,860**	**1,269,847**	**42,376**	**1,199,727**	**1,242,102**	**42,777**	**1,168,706**	**1,211,483**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans																						
Hard Debt - First Lender			862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196	-	862,196	862,196
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender			117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000	29,400	117,600	147,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**	**29,400**	**979,796**	**1,009,196**
CASH FLOW (NOI minus DEBT SERVICE)			**334,479**	**345,641**	**11,500**	**316,531**	**328,031**	**11,850**	**296,230**	**308,081**	**12,213**	**273,451**	**285,664**	**12,588**	**248,064**	**260,651**	**12,976**	**219,931**	**232,906**	**13,377**	**188,910**	**202,287**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		**DSCR:**		***1.342***			***1.325***			***1.305***			***1.283***			***1.258***			***1.231***			***1.2***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																						
Deferred Developer Fee (Enter amt <= Max Fee from row 131			50,000	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits	3.5%	3.5%	38,648	48,311	10,000	40,001	50,001	10,350	41,401	51,752	10,713	42,850	53,563	11,088	44,350	55,438	11,476	45,902	57,378	11,877	47,509	59,386
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits			6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500	1,500	6,000	7,500
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			**94,648**	**105,811**	**11,500**	**46,001**	**57,501**	**11,850**	**47,401**	**59,252**	**12,213**	**48,850**	**61,063**	**12,588**	**50,350**	**62,938**	**12,976**	**51,902**	**64,878**	**13,377**	**53,509**	**66,886**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD			**239,831**	**239,831**	**0**	**270,530**	**270,530**	**(0)**	**248,829**	**248,829**	**0**	**224,601**	**224,601**	**0**	**197,714**	**197,714**	**(0)**	**168,029**	**168,029**	**(0)**	**135,401**	**135,401**
Does Project have a MOHCD Residual Receipt Obligation'		**Yes**																				
Will Project Defer Developer Fee?		**Yes**																				
1st Residual Receipts Split - Lender/Deferred Developer Fee		**50% / 50%**																				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans																				
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease				-			-			-			-			-			-			-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve				-			-			-			-			-			-			-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE				**-**			**90,177**			**82,943**			**74,867**			**65,905**			**56,010**			**45,134**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																						
HCD Residual Receipts Amount Due		0.00%		-			-			-			-			-			-			-
Lender 4 Residual Receipts Due		0.00%		-			-			-			-			-			-			-
Lender 5 Residual Receipts Due		0.00%		-			-			-			-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service				**-**			**-**			**-**			**-**			**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)				**-**			**90,177**			**82,943**			**74,867**			**65,905**			**56,010**			**45,134**
Owner Distributions/Incentive Management Fee				-			90,177			82,943			74,867			65,905			56,010			45,134
Other Distributions/Uses				-			-			-			-			-			-			-
Final Balance (should be zero)				**-**			**-**			**-**			**-**			**-**			**-**			**-**
RR Running Balance				**2,198,000**			**2,355,000**			**2,512,000**			**2,669,000**			**2,826,000**			**2,983,000**			**3,140,000**
OR Running Balance				**-**			**-**			**-**			**-**			**-**			**-**			**-**
Other Required Reserve 1 Running Balance				**-**			**-**			**-**			**-**			**-**			**-**			**-**
Other Required Reserve 2 Running Balance				**-**			**-**			**-**			**-**			**-**			**-**			**-**
DEFERRED DEVELOPER FEE - RUNNING BALANCE																						
Developer Fee Starting Balance				50,000			-			-			-			-			-			-
Deferred Developer Fee Earned in Year				50,000			-			-			-			-			-			-
Developer Fee Remaining Balance				**-**			**-**			**-**			**-**			**-**			**-**			**-**

EXCLUSIVE NEGOTIATIONS AGREEMENT
Transbay Block 4 West and Tehama Improvements
Transbay Redevelopment Project Area

THIS EXCLUSIVE NEGOTIATIONS AGREEMENT (hereinafter "**ENA**") dated as of _______________, 2026, ("**Effective Date**") is made by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body organized and existing under the laws of the State of California and commonly referred to as the Office of Community Investment and Infrastructure ("**OCII**" or "**Successor Agency**"), and Transbay Block 4 West, LP, a California limited partnership ("**Developer**"), whose co-general partner is Young Community Developers ("**AGP**"), a California nonprofit public benefit corporation, and whose managing general partner is Transbay Block 4 West, LLC ("**MGP**"), a California limited liability company, and their authorized successors and assigns.

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

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq., the "**CRL**"), the former San Francisco Redevelopment Agency (the "**Former Agency**") undertook programs for the redevelopment of blighted areas in the City and County of San Francisco (the "**City**"), including the Transbay Redevelopment Project Area (the "**Project Area**").

2. In 2003, the Transbay Joint Powers Authority ("**TJPA**"), the City, and the State of California ("**State**"), entered into a Cooperative Agreement setting forth the process for the transfer of certain State-owned parcels in the Project Area to the City and the TJPA. Also in 2003, the California Legislature enacted Assembly Bill No. 812 (Statutes 2003, chapter 99), codified at Cal. Public Resources Code § 5027.1, which requires that thirty-five (35%) of new housing developed in the Project Area shall be affordable to low- and moderate-income households (the "**Transbay Affordable Housing Obligation**"). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement ("**Implementation Agreement**"), which incorporates the Transbay Affordable Housing Obligation and requires the Successor Agency to prepare and sell certain formerly State-owned parcels and to construct and fund new infrastructure improvements and to meet affordable housing obligations.

3. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), as amended by Ordinance Nos. 84-15 (June 16, 2015), 62-16 (April 26, 2016), and 009-23 (January 24, 2023), and as it may be amended from time to time ("**Redevelopment Plan**").

4. The Redevelopment Plan divides the Project Area into two subareas: Zone One in which the land use controls of the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (2005) (and as currently amended, "**Development Controls**") are applicable and are to be administered by OCII, and Zone Two in

which the San Francisco Planning Code applies and is administered by the San Francisco Planning Department.

5. Pursuant to California Health & Safety Code § 34170 et seq. (the "**Redevelopment Dissolution Law**") and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission (the "**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), OCII is responsible for administering the enforceable obligations of the Former Agency. The Redevelopment Plan, Development Controls, Transbay Affordable Housing Obligation, Implementation Agreement and other relevant Project Area documents remain in effect, and OCII retains all affordable housing obligations in the Project Area.

6. Redevelopment Dissolution Law authorizes successor agencies to enter into new agreements if they are "in compliance with a continuing enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5(a). On April 15, 2013, the California Department of Finance ("**DOF**") finally and conclusively determined that the Implementation Agreement and its incorporation of the Transbay Affordable Housing Obligation are continuing enforceable obligations of OCII under the Redevelopment Dissolution Law. DOF has confirmed that "any sale, transfer, or conveyance of property related to [the Transbay Final and Conclusive Determination] is authorized." Email from Justyn Howard, Assistant Program Budget Manager, DOF, to Tiffany Bohee, Executive Director, OCII (September 10, 2013, 09:17 AM).

7. On May 8, 2025, OCII issued a Housing Development Request for Proposals (the "**RFP**") to develop, own, and operate mixed-use affordable rental housing units, including units set-aside for households experiencing homelessness at Transbay Block 4 West on a portion of the parcel identified as Lot 1 on Tentative Transfer Map No. 10327 (approved by San Francisco Public Works Order No. 203553) (the "**Site**"). In addition, the RFP asked respondents to develop and construct a segment of East Tehama Street adjacent to the Site, extending from Main Street to Beale Street (the "**Tehama Site**"), to be transferred to the City for long-term ownership and operation.

8. An evaluation panel comprised of OCII staff, City staff, and a member of the Transbay Citizens Advisory Committee reviewed submittals in response to the RFP and recommended the Developer. The Developer's proposal submittal was responsive to the RFP, particularly as it relates to the Developer's overall vision for the Site and demonstrated experience in developing and operating high-quality affordable housing. On October 21, 2025, OCII staff provided the Commission an informational memorandum on the evaluation panel's recommendation.

9. The proposed development program for the Site includes a total of approximately 314 rental housing units, including 311 affordable units and three manager's units, resident amenities, approximately 4,200 square feet of commercial space, and related streetscape improvements (the "**Project**"). Affordable units will be provided at a range of income levels and are currently contemplated to be comprised of 80 one-bedroom units, 154 two-bedroom units, and 77 three-bedroom units.

10. OCII has determined that, to ensure pedestrian and emergency vehicle access in time for initial occupancy of the Project, the design and construction of East Tehama Street and related infrastructure (the "**Tehama Improvements**"), should be completed by the Developer, or an affiliate, or a special-purpose entity formed by the Developer for this purpose, subject to OCII approval ("**Special Purpose Entity**").

11. On April 7, 2026, the Commission adopted Resolution No. _____ authorizing the Executive Director to execute this ENA to pursue predevelopment activities on the Site and the Tehama Site. The ENA establishes a series of predevelopment milestones that, if completed, may culminate in the execution of a long-term ground lease agreement for the Site, subject to a public hearing and consideration by the Commission.

12. On April 7, 2026 the Commission adopted Resolution No. _____ authorizing the Executive Director to execute an agreement to extend a predevelopment loan to the Developer in an initial amount of Five Million and No/100 Dollars ($5,000,000.00) to fund certain costs related to studies and conceptual design of the Site, as well as certain predevelopment costs for the Project. OCII and Developer intend to execute a "**Predevelopment Loan Agreement**" substantially concurrently herewith.

13. On April 7, 2026 the Commission adopted Resolution No. _______ conditionally authorizing the Executive Director to execute an agreement to fund certain predevelopment costs in the amount of One Million and No/100 Dollars ($1,000,000.00) related to design and engineering of the Tehama Site, as well as certain predevelopment costs for the Tehama Improvements. OCII and Developer intend to execute concurrently herewith the "**Infrastructure Development Agreement**" for the Tehama Improvements, which will define the scope, schedule, and funding for those improvements.

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

1. Exclusive Right.

For the Exclusive Negotiations Period set forth in Section 2 below, and subject to the terms and conditions of this ENA, OCII grants to the Developer the exclusive right (the "**Exclusive Right**") to pursue planning, design, and predevelopment activities for the construction and management of the Site and the Tehama Site in accordance with the OCII Documents (as defined in the Predevelopment Loan Agreement) including the Design Review and Document Approval Procedure for Transbay Block 4 West and the Tehama Improvements ("**DRDAP**") substantially in the form attached hereto as Attachment 7, and to negotiate a ground lease for the development and operation of the Project, sufficient to establish "site control" for a project meeting the requirements of potential project lenders and the California Tax Credit Allocation Committee ("**Ground Lease**"). Acknowledging that time is of the essence, OCII and the Developer agree to negotiate diligently and in good faith with each other concerning the subject of this Exclusive Right, and OCII agrees not to solicit any other proposals or negotiate with any other developer with respect to the subject of the negotiations set forth herein.

The Developer and OCII acknowledge and agree that, under this ENA, OCII is not committing itself or agreeing to: (a) enter into any Ground Lease or undertake any exchange or transfer of real property, any disposition of any real property interests to the Developer, (b) approve any land use entitlements, or (c) undertake any other acts or activities relating to the subsequent independent exercise of discretion by the Commission, OCII or any agency, commission or department of the City. This ENA does not constitute the disposition of property or the transfer of OCII's or the City's exercise of control over the Site. However, should certain conditions be met, as described below in Section 5, this ENA allows OCII's Executive Director, in their sole discretion, to enter an Option to Ground Lease, in the form attached hereto as Attachment 4, for the Site ("**Option to Ground Lease**").

2. Term.

(a) The term of the ENA shall be for three years, from the Effective Date through the third anniversary of the Effective Date ("**Initial Term**"), unless extended or earlier terminated pursuant to the provisions herein (the Initial Term as modified by any extension or early termination is the "**Exclusive Negotiations Period**").

(b) If not otherwise terminated in accordance with its terms, this ENA shall terminate for the Project when OCII has executed a Ground Lease for the Project, as approved by the Commission.

(c) The Initial Term may be extended without further Commission action for any period up to a total of an additional 12 months beyond the Initial Term for the purpose of completing predevelopment activities related to the Project, if approved in writing by OCII's Executive Director in their sole and absolute discretion and subject to such terms and conditions as they deem reasonable in exchange for granting such extension. Such exercise of discretion by OCII to extend the Term of the ENA, shall not operate to automatically extend other performance benchmarks in the ENA. In addition, in the event that the Developer applies for CDLAC and/or TCAC financing in accordance with the contractual deadlines provided in the Predevelopment Loan Agreement and is not awarded financing by CDLAC and/or TCAC, the OCII Executive Director, in his sole and reasonable discretion, may extend the deadline established in the Schedule of Performance for entering into a Ground Lease to allow the Developer to reapply for up to two consecutive additional cycles of CDLAC/TCAC financing immediately following the cycle initially applied for.

3. Negotiation Deposits; OCII/City Costs.

3.1 Negotiation Deposits.

(a) The Developer shall pay to OCII the cash sum of Ten Thousand and 00/100 Dollars ($10,000.00) (the "Performance Deposit") at the time it executes this ENA. The Performance Deposit shall be held by OCII until completion of construction of the Project, except as provided in Sections 3.1(b) and 3.1(c).

(b) Subject to Section 8.4 below, if the parties fail to reach agreement on the Ground Lease despite the Developer's good faith negotiations or if the Ground Lease is not approved by the Commission, executed and delivered as contemplated hereby for any reason outside of the Developer's control, and, in either instance, the Developer is not in default under this ENA or the Predevelopment Loan Agreement and Developer has been paid less than 10% of the Developer Fee (as defined in the Predevelopment Loan Agreement), then upon termination of this ENA, OCII shall within 30 days return the Performance Deposit (together with interest actually accrued thereon) to the Developer.

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

4. Intentionally Omitted.

5. Obligations of the Developer.

5.1 Schedule of Performance; Scope of Development.

The Developer agrees to work cooperatively to coordinate pre-development activities as required by this Agreement. The Developer shall diligently and in good faith negotiate the Ground Lease and related actions under this ENA based on the development opportunity described in the RFP, the Schedule of Performance attached as Attachment 2 hereto, and the Scope of Development attached as Attachment 3 hereto. The Developer shall diligently pursue completion of milestones under the Schedule of Performance and additional benchmarks, if any, under this ENA in a timely fashion, and shall make all design submittals in accordance with the DRDAP. The Schedule of Performance may be modified at the request of the Developer, subject to the approval of OCII in its sole discretion, so long as the modification does not exceed the applicable Exclusive Negotiations Period.

5.2 Other Obligations of Developer.

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

(b) In addition, the Developer shall comply with the applicable terms of the Plan Documents (as defined in the Transbay Redevelopment Plan), including but not limited to the Development Controls and Design Guidelines, the Streetscape and Open Space Plan, the Transbay Redevelopment Project Area Design for Development, and the DRDAP and any amendments thereto, except as mutually agreed upon in furtherance of 5.2(f) below. At the request of OCII and/or the City and at the Developer's sole expense, which funds may come from those provided under the Predevelopment Loan Agreement, the Developer shall prepare (or cause expert consultants approved by OCII to prepare) and submit all reports, studies or other information reasonably necessary to obtain regulatory approvals, excluding privileged attorney-client communications.

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

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

(e) The Developer shall conduct predevelopment activities in accordance with the requirements of this Agreement.

(f) The Developer will work with OCII in exploring approaches to increasing the building height and bulk limits on the Site for purposes of providing additional affordable housing units.

(g) Developer acknowledges that the Tehama Improvements constitute a separate scope of work from the housing development. Developer may perform this work directly or through an OCII-approved affiliate or Special-Purpose Entity. The terms, conditions, and funding for the Tehama Improvements will be governed by the Infrastructure Development Agreement and will not be funded under the housing predevelopment loan.

5.3 Indemnity.

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

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

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

5.4 Insurance.

Subject to approval by OCII of the insurers and policy forms, Developer must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in Attachment 5 throughout the term of this ENA at no expense to OCII.

5.5 Force Majeure

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

6. <u>Obligations of OCII</u>.

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

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

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

(c) OCII shall, at the reasonable discretion of its Executive Director, authorize a permit to enter to allow the Developer and its consultants to access the Site for the purpose of performing tests, surveys and inspections, and obtaining data necessary or appropriate to negotiate the Ground Lease ("**Permit to Enter**"). The Permit to Enter will be substantially in the form attached hereto as Attachment 6.

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

(e) OCII shall, in its reasonable discretion, enter into an Option to Ground Lease to demonstrate control of the Site as provided in this ENA, and generally in the form attached hereto as Attachment 4, if the Developer is in conformance with the obligations described in Section 5 and if such Option to Ground Lease is necessary to secure financing for the Project.

7. <u>Non-Assignment</u>.

OCII and the Developer acknowledge and agree that OCII is entering into this ENA and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its members. The Exclusive Right is personal to the Developer, is not assignable, and the Developer shall not assign or transfer this ENA, except by the prior written consent of OCII's Executive Director, which may be given, withheld or conditioned in their sole discretion. For purposes of this Section, an assignment shall also include any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation, or other transfer of legal or beneficial interests in the Developer.

Any transfer or assignment without the OCII Executive Director's prior written consent will be voidable and, at the election of OCII's Executive Director, constitute an Event of Default under this ENA. OCII's consent to any specific assignment or transfer will not constitute its consent to any subsequent transfer or a waiver of any of OCII's rights under this ENA.

Notwithstanding the foregoing, Developer may form or designate a special-purpose entity to complete the Tehama Improvements as further set forth in Section 11.19, below.

8. Default and Remedies.

8.1 Events of Default by the Developer.

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

(a) Failure to pay any sums due under this ENA within thirty (30) days after written notice by OCII.

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

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

(d) Any action in violation of Section 7, which shall be, at OCII's election, an immediate Event of Default notwithstanding the provisions of Section 8.2(a), below.

(e) Any filing of a petition to have the Developer or any affiliate of Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization liquidation or arrangement under any bankruptcy or insolvency law, or any assignment for the benefit of creditors, or seeking appointment of a trustee, receiver, liquidator of the Developer or any substantial part of the Developer's assets, if such petition is not dismissed within sixty (60) days.

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

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

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

(i) Failure to notify OCII of any adverse change in the financial condition of the Developer that materially affects the Developer's ability to complete the development at the Site.

(j) Developer is in default of its obligations under any other agreement entered into with OCII or the City, and the default remains uncured following the expiration of any and all applicable notice and cure periods.

8.2 Remedies of OCII.

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

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

(c) Plans, Specifications, Reports and Studies. If OCII terminates this ENA, the Developer shall deliver to OCII copies of any and all drawings, plans, specifications, reports, studies, memoranda, computation sheets, document lists, plans and all including contents of any electronic files, prepared by or on behalf of the Developer in connection with this ENA (the "**Work Product**"). The Developer shall deliver the Work Product within ten (10) days after written demand from OCII, which obligation shall survive the termination of this ENA. OCII may use the Work Product for any purpose relating to the Site, provided that OCII shall release the Developer and the Developer's contractors, architects, engineers and other consultants from any losses arising out of the OCII's use of such documents except to the extent that OCII retains any of them and they agree to such continued liability. The Developer and OCII acknowledge that the Work Product also serves as security pursuant to the Predevelopment Loan Agreement and that the provisions of Sections 3.2 and 24.21 of the Predevelopment Loan Agreement shall govern the assignment of the Work Product to OCII.

8.3 Termination and Developer's Risk.

8.3.1. Generally.

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

8.4 Damages.

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

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

INITIALS: OCII ___ Developer ___

9. Representations and Warranties of the Developer.

9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

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

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

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

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

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

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

(g) Conflicts of Interest. The Developer is familiar with conflict of interest requirements and contribution limits, including: (i) Section 87100 *et seq.* of the California Government Code, which provides that no member, official or employee of OCII, may have any personal interest, direct or indirect, in this ENA nor shall any such member, official or employee participate in any decision relating to this ENA which affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly; (ii) OCII's Personnel Policy, which prohibits former OCII employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially as an OCII employee or consultant unless OCII consents to such scope of work; and (iii) section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with OCII for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to: (1) an individual holding a City elective office if the contract must be approved by such individual, the board on which that individual serves, or a state agency on whose board an appointee of that individual serves; (2) a candidate for the office held by such individual; or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or 12 months after the date the contract is approved. Developer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $100,000or more. Developer further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Developer's board of directors; the Developer's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Developer; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Developer. Additionally, Developer acknowledges that the Developer must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126. As to the provisions referred to in clauses (i) and (iii), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to OCII in writing any and all personnel or consultants covered by such policy as of the date of this ENA, and concurrently herewith the Commission has elected to waive or not to waive the conflict as to such specific personnel or consultants.

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

(i) Consultants. As of the date of this ENA, the Developer has retained the following consultants in connection with the proposed redevelopment of the Site: Kennerly Architecture & Planning (planning and architecture), SCB (planning and architecture), Mercy Housing Management Group (property management), and Episcopal Community Services (supportive services for formerly homeless families). The Developer shall promptly notify OCII of the termination of any consultant previously approved by OCII, and the Developer shall, to the extent required to fulfill its obligations under this ENA, replace such consultant with a new consultant reasonably approved by OCII. In addition, the Developer shall promptly notify OCII of the addition of any new consultant associated with the Site. Nothing herein shall limit the provisions of subsection (g) above regarding conflicts of interest.

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

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

(l) No Claims. The Developer does not have any claim, and shall not make any claim, against OCII and the City, or either of them, or against the Site, or any present or future interest of OCII or the City therein, directly or indirectly, by reason of: any aspect of the RFP or the developer selection process; any statements, representations, acts or omissions made by OCII's and/or City's respective officers, commissioners, employees or agents with regard to the Site or any aspect of the negotiations under this ENA; and OCII's exercise of discretion, decision and judgment in conformance with this ENA.

9.2 Continued Accuracy.

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

9.3 Survival.

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

10. Notices.

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

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

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

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

(ii) And in the case of a notice or communication sent to the Developer:
Transbay Block 4 West, L.P.
c/o Mercy Housing California
1256 Market Street
San Francisco, CA 94102
Attn: Joe Rosenblum, General Counsel Email:
jrosenblum@mercyhousing.org

and

Young Community Developers
1715 Yosemite Avenue
San Francisco, CA 94124
Attn: _______________
Email: _____________

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Ste. 1110
San Francisco, CA 94104
Attn: Evan Gross
Email: egross@gubbandbarshay.com

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

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

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

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

(c) if approval is being requested, shall be clearly marked "Request for Approval under the Transbay Redevelopment Project Area, Transbay Block 4 West, Exclusive Negotiations Agreement;" and

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

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

11. General Provisions.

11.1 Amendments.

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

11.2 Severability.

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

11.3 Non-Waiver.

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

11.4 Non-Liability.

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

11.5 Successors and Assigns; Third Party Beneficiary.

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

11.6 Governing Law.

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

11.7 Attorneys' Fees and Costs.

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

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

11.8 Interpretation of Agreement.

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

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

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

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

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

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

11.9 Entire Agreement.

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

11.10 Time for Performance.

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

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

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

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

11.11 Counterparts.

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

11.12 Approvals and Consents.

Unless this ENA otherwise expressly provides, all actions, approvals, consents or determinations to be made by or on behalf of (i) OCII under this ENA shall be made by the OCII's Executive Director or his designee and (ii) Developer under this ENA shall be made by the President of Mercy Housing California (the "**Lead Developer Representative**") or such other employee or agent of the Developer as the Developer may designate or as may be authorized to act as the Lead Developer Representative for a particular matter. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this

ENA, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or OCII to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

11.13 Real Estate Commissions.

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

11.14 Survival.

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

11.15 Nondiscrimination and Small Business Enterprise Policy.

(a) There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation, disability (including HIV or AIDS status) or any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the performance of this ENA. The Developer will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

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

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

(d) If the Developer intends to utilize subcontractors in the provision of services under this ENA, it must consult with OCII's Contract Compliance Division and comply with OCII's Equal Opportunity Program, including but not limited to the SBE Policy.

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

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

11.16 Compliance With Minimum Compensation Policy And Health Care Accountability Policy.

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

11.17 Relationship of the Parties.

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

11.18 Cooperation.

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

11.19 Separate Entity for Tehama Improvements.

OCII acknowledges that Developer may elect to create a separate entity for the sole purpose of completing the Tehama Improvements. OCII's consent to the creation of such separate entity shall not be unreasonably withheld, provided that such entity demonstrates financial capacity, agrees to comply with all applicable terms of this ENA, and executes any agreements required by OCII to ensure performance.

(signatures begin on following page)

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

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

By: ________________________
Name: Thurston Kaslofsky
Title: Executive Director

APPROVED AS TO FORM:

James B. Morales
OCII General Counsel

By: ________________________

DEVELOPER:

Transbay Block 4 West, LP,
a California limited partnership

By: Transbay Block 4 West, LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: ______________________
Name: Ramie Dare
Title: Vice President

By: Young Community Developers,
a California nonprofit public benefit corporation,
its co-general partner

By: ________________________
Name
Title

Authorized by OCII Resolution No. __-____, adopted April 7, 2026.

EXCLUSIVE NEGOTIATIONS AGREEMENT

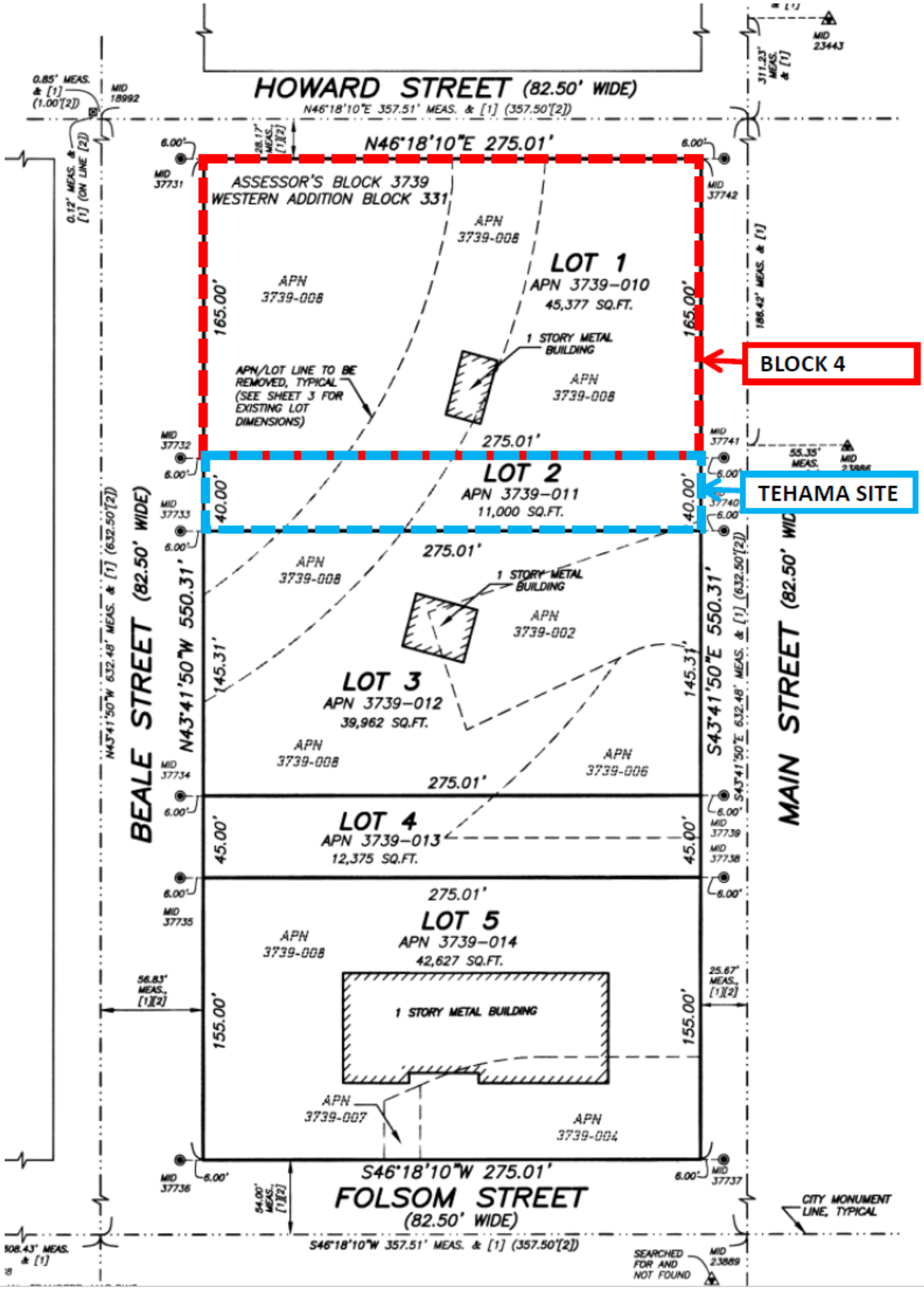
LIST OF ATTACHMENTS

ATTACHMENT 1	Site Description
ATTACHMENT 2	ENA Schedule of Performance
ATTACHMENT 3	ENA Scope of Development
ATTACHMENT 4	Form of Option to Ground Lease
ATTACHMENT 5	Insurance Requirements
ATTACHMENT 6	Form of Permit to Enter
ATTACHMENT 7	Design Review and Document Approval Procedure for Transbay Block 4 West and the Tehama Improvements

ATTACHMENT 1

Site Description

The Site, composed of the land within Transbay Block 4, and the Tehama Site are depicted in the drawing below.



<u>ATTACHMENT 2</u>

ENA Schedule of Performance

No.	**Task**	**Deadline**
1.	Submit conceptual designs for the Project and for Tehama Improvements	6/1/2026
2.	Submit schematic design drawings and cost estimates for the Project and for Tehama Improvements. The submission shall include the items specified in Attachment 3.	12/1/2026
3.	Submit a subdivision map application.	12/1/2026
4.	Submit design development documents and cost estimates for the Project and for Tehama Improvements. The submission shall include the items specified in Attachment 3 unless otherwise amended.	6/1/2027
5.	Execution of Option to Enter into Ground Lease for CDLAC Application	2/2028
6.	Execution of Ground Lease Agreement.	10/1/2028

ATTACHMENT 3

ENA Scope of Development

The Project will include construction of approximately 314 units of affordable rental housing serving low-income families with 20% of the units set aside for families experiencing homelessness. In addition, the Project will include an approximately 4,200 square-foot community-serving commercial space and streetscape improvements including sidewalks, landscaping, and street furnishings along the Howard, Beale, and Tehama Street frontages. The Tehama Improvements will be implemented by Developer or by an OCII-approved affiliate or special-purpose entity formed by Developer.

With the exception of three unrestricted manager's units, residential units will be affordable to households earning between 30%-60% of area median income (as defined by MOHCD). Units will be comprised of approximately 25% one-bedroom, 50% two-bedrooms, and 25% three-bedrooms. Approximate unit sizes will be:

- 550 square feet for one-bedroom/one-bathroom units;
- 850 square feet for two-bedrooms/one-bathroom units; and
- 1,100 square feet for three bedrooms/one and a half- or two-bathroom units

Residential amenities will include some or all of the following:

- A variety of outdoor open spaces with different focuses including play areas, calming garden spaces, etc.;
- Multi-functional community room with a kitchen and flexible furniture arrangements;
- Property management and supportive services offices;
- Multiple laundry rooms;
- Bicycle parking; and
- Lobby area with package lockers.

The Tehama Improvements will include some or all of the following:

- Buildout of the new East Tehama Street right of way extension, including its roadway, sidewalks and banding, lighting, street trees, and raised crosswalks at each corner of East Tehama Street;
- Raised north-south pedestrian crossings at the Tehama intersections with Beale and Main Streets;
- Main Street water line relocation;
- Sidewalk widening on at Beale and Main Streets adjacent to the eastern portion of Block 4; and
- Other improvements to serve the Project as identified by the Developer, or related to the City's acceptance of the Tehama Improvements, in coordination with City agencies and utility providers.

The Tehama Improvements are not included in the housing development scope described above and will be addressed, instead, in the Infrastructure Development Agreement.

ATTACHMENT 4

FORM OF OPTION TO GROUND LEASE AGREEMENT

OPTION TO GROUND LEASE AGREEMENT

This Option to Ground Lease Agreement (the **"Agreement"**) is entered into as of this ____ day of ___________, 20_____(“**Effective Date**”), by and between 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 and commonly referred to as the Office of Community Investment and Infrastructure (the “**Successor Agency**” or “**OCII**”) and Transbay Block 4 West, LP, a California limited partnership ("**Optionee**") and its permitted assignees hereunder, with reference to the following facts:

RECITALS

A. In furtherance of the objectives of the Community Redevelopment Law of the State of California, the Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted a redevelopment project area known as the Transbay Redevelopment Project Area (the “**Project Area**”).

B. In 2003, the Transbay Joint Powers Authority (“**TJPA**”), the City, and the State of California (“**State**”), entered into a Cooperative Agreement setting forth the process for the transfer of certain State-owned parcels in the Project Area to the City and the TJPA. Also in 2003, the California Legislature enacted Assembly Bill No. 812 (Statutes 2003, chapter 99), codified at Cal. Public Resources Code § 5027.1, which requires that thirty-five (35%) of new housing developed in the Project Area shall be affordable to low- and moderate-income households (the “**Transbay Affordable Housing Obligation**”). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (“**Implementation Agreement**”) which incorporates the Transbay Affordable Housing Obligation and requires the Successor Agency to prepare and sell certain formerly State-owned parcels and to construct and fund new infrastructure improvements and to meet affordable housing obligations.

C. The City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), as amended by Ordinance Nos. 84-15 (June 16, 2015), 62-16 (April 26, 2016), and 009-23 (January 24, 2023), and as it may be amended from time to time (“**Redevelopment Plan**”).

D. The Redevelopment Plan divides the Project Area into two subareas: Zone One in which the land use controls of the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (2005) (and as currently amended “**Development Controls**”) are applicable and are to be administered by OCII, and Zone Two in which the San Francisco Planning Code applies and is administered by the San Francisco Planning Department.

E. Pursuant to California Health & Safety Code § 34170 et seq. (the “**Redevelopment Dissolution Law**”) and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission (the “**Commission**”) and delegating to it state authority under the Redevelopment Dissolution Law), OCII is responsible for administering the enforceable obligations of the Former Agency. The Redevelopment Plan, Development Controls, Transbay Affordable Housing Obligation, Implementation Agreement and other relevant Project Area documents remain in effect and OCII retains all affordable housing obligations in the Project Area.

F. Redevelopment Dissolution Law authorizes successor agencies to enter into new agreements if they are “in compliance with a continuing enforceable obligation that existed prior to June 28, 2011.” Cal. Health & Safety Code § 34177.5(a). On April 15, 2013, the California Department of Finance (“**DOF**”) finally and conclusively determined that the Implementation Agreement and its incorporation of the Transbay Affordable Housing Obligation are continuing enforceable obligations of OCII under Redevelopment Dissolution Law.

G. This Agreement, providing for the development of affordable housing, is part of OCII’s compliance with the pre-existing enforceable obligations under the Implementation Agreement and the Transbay Affordable Housing Obligation. DOF has confirmed that “any sale, transfer, or conveyance of property related to [the Transbay Final and Conclusive Determination] is authorized.” Email from Justyn Howard, Assistant Program Budget Manager, DOF, to Tiffany Bohee, Executive Director, OCII (September 10, 2013, 09:17 AM).

H. The Optionee is a limited partnership comprised of its managing general partner, Transbay Block 4 West, LLC, Young Community Developers as a co-general partner, and a to-be-determined limited partner. The Optionee desires to develop the Property with approximately ___ multifamily units available to low-income families some of whom are formerly homeless, including certain ancillary uses (“**Project**”) on a to-be-subdivided portion of that certain real property more particularly described in Exhibit A hereto (“**Property”)**. Optionee and OCII shall mutually agree on the final subdivision for the Property prior to the closing of the Ground Lease.

I. OCII is the fee simple owner of the Property.

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

K. 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 ground 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. **<u>Grant of Option</u>**. 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 shall be for a period commencing on the Effective Date and ending on 11:59 P.M. on__________________ , unless earlier terminated in accordance with the provisions of this Agreement (the "**Initial Term**"). So long as the Optionee is not then in default under this Agreement or any other agreements with OCII, Optionee may request up to two extensions of the Initial Term, of up to six months each, 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. Approval of the extension is subject to the sole discretion of the OCII Executive Director. Any such approved extension shall commence on 12:01 A.M. on the day immediately following the expiration of the Initial Term and shall end no later than 11:59 P.M. on _________________ for the first extension and no later than 11:59 P.M. on ___________________ for the second extension. The Initial Term, plus any extension, is referred to herein as the "**Term**". During the Term, Optionee and OCII staff agree to negotiate in good faith to complete all of the terms and conditions of a 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 Commission, before Optionee's exercise of the Option.

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

c. Expiration. The Agreement shall automatically expire, and be of no further force or effect, upon the first to occur of the expiration date of the Term or the effective date of the Ground Lease. If the expiration date of the Term falls on a Saturday, Sunday or legal holiday in the State of California, then the expiration date shall be extended to 11:59 P.M. on the immediately 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. In addition, concurrently with the execution of this Agreement, Optionee shall pay and deliver to OCII One Hundred Dollars ($100.00) as separate and independent consideration ("**Independent Consideration**") for OCII's execution of this Agreement. The Independent Consideration is non-refundable to Optionee in the event this Agreement terminates prior to Optionee's execution of the Option.

SECTION 4. Ground Lease of the Property. OCII staff shall prepare the initial form of ground lease substantially in the form used by OCII for projects in which OCII is the fee owner of 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 between sixty-five (65) and seventy-five (75) years from the date of construction completion of the Project (as determined by the parties during negotiation of the ground lease term), provided that the tenant shall have an option to extend the term for an additional period that, in aggregate, does not exceed a total of ninety nine (99) 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 construction, operation, maintenance and repair or reconstruction of a multifamily residential development with approximately ___ units available to extremely low income and low-income households as well as certain ancillary uses. The maximum rent and income levels shall be set at no greater than 80% of area median income, defined as the area median income as determined by the United States Department of Housing and Urban Development 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 Executive 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 an 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 year of the lease term, 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 provided 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

OCII General Counsel:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: James B. Morales
Optionee:	[TBD]

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. OCII and the Developer acknowledge and agree that OCII is entering into this Agreement and granting the Option to the Optionee on the basis of the particular experience, financial capacity, skills and capabilities of the Optionee and its members. The Option is personal to the Optionee, is not assignable, and the Optionee shall not assign or transfer this Agreement, except by the prior written consent of OCII' Executive Director, which may be given, withheld or conditioned in her sole discretion.

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. **<u>Counterparts.</u>** 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. **<u>Entire Agreement; Signatures.</u>** This Agreement contains the entire agreement between the parties respecting the matters set forth herein and supersedes all prior agreements between the parties respecting the matters set forth herein.

SECTION 15. **<u>Attorneys' Fees</u>**. 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. **<u>Effective Date</u>.** Notwithstanding anything to the contrary contained herein, this Agreement shall not be effective until the date on which the 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 next 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: ____________________________

Name: Thurston Kaslofsky
Title: Executive Director

APPROVED AS TO FORM:

James B. Morales
OCII General Counsel

By: ____________________________

OPTIONEE:

Transbay Block 4 West, LP,
a California limited partnership

By: Transbay Block 4 West, LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _________________________

Name: Ramie Dare
Title: Vice President

By: Young Community Developers,
a California nonprofit public benefit corporation,
its co-general partner

By: _________________________

Name:
Title:

EXHIBIT A

Property Description

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

[To be inserted]

ATTACHMENT 5

INSURANCE REQUIREMENTS

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Developer must obtain and maintain, or caused to be maintained, insurance as set forth in this Attachment 5 throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII. If and when the Developer and OCII enter into a gap loan agreement or other agreements authorizing or funding the construction of the Project, OCII will adjust these insurance requirements to reflect the risks associated with construction-related activities.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Attachment 5 for more detailed descriptions of policy requirements.

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

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

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Before the start of demolition/construction if the Site is unoccupied, Developer and Developer's Contractors will maintain coverage of not less than Two Million Dollars ($2000,000) combined single limit per occurrence and Four Million Dollars ($4,000,000)

annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Developer should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Developer and construction contractors during the construction period.

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

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

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

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

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

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to

OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Developer shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

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

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

F. General Requirements.

1) If the Developer maintains additional coverages and/or higher limits than the minimums shown in this Attachment 5, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Developer.

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

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

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

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

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

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

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

1) Identify the following as the certificate holder:

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

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

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

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

<u>ATTACHMENT 6</u>

FORM OF PERMIT TO ENTER

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic ("**Successor Agency**") grants to Transbay Block 4 West, LP, a California limited partnership ("**Permittee**") a non-exclusive permit to enter upon certain Successor Agency-owned real property more particularly shown in <u>Attachment A</u> (hereinafter referred to as the "**Permit Area**"), upon the terms, covenants and conditions hereinafter set forth in this Permit to Enter ("**Permit**").

1. **<u>Permit Area:</u>** The Permit Area is a portion of Lot 1 and Lot 2 more particularly shown on <u>Attachment A</u> hereto and made a part hereof. The Permit is non-exclusive and is subject to the rights of ingress and egress by the Successor Agency and others, who are authorized to access portions of the Permit Area. Without limiting the generality of the foregoing, Permittee acknowledges that the Successor Agency and its permittee East Cut Landing Partners ("**ECLP**") have entered into a Permit to Enter and Agreement to Activate and Manage the Permit Area ("**ECLP Agreement**") pursuant to which ELCP will be using the Permit Area for uses permitted under the ECLP Agreement during Permittee's permitted time of entry specified in <u>Section 3</u> below, including allowing its invitees and members of the public to enter the Permit Area for uses authorized under the ECLP Agreement.

2. **<u>Permitted Use:</u>** The Permittee, its employees, invitees, subpermittees and subcontractors (collectively, "**Permittee Parties**") shall use the Permit Area for predevelopment activities for future construction of a mixed-use multifamily residential project ("**Project**") and adjacent off-site public improvements, including testing of site soil conditions, as further detailed in <u>Attachment B</u>. Permittee acknowledges that ECLP, its invitees and members of the public may be engaged in uses allowed within the Permit Area or areas adjacent to the Permit Area subject to the ECLP Agreement; the Permittee shall ensure that the Permittee Parties take reasonable measures to minimize closure of the Permit Area to such uses and to avoid damage to equipment or other property placed within the Permit Area by ECLP. As so limited, the uses described in Attachment B are referred to herein as the "**Permitted Use.**" No uses other than those specifically stated herein are authorized hereby.

3. **<u>Time of Entry:</u>** Entry may commence at 8:00 a.m., upon the date this Permit is fully executed, and shall terminate on _________, at 5:00 p.m., unless earlier terminated by the Successor Agency's Executive Director under <u>Section 11</u> hereof or earlier terminated by written notice of Permittee, or unless such time is extended by the Executive Director. Permittee shall notify Successor Agency and ECLP a minimum of 24 hours in advance of desired access by any of the Permittee Parties for uses that are observational and do not require modifications (including temporary modifications) to the Permit Area. Permittee shall schedule uses that require modifications (such as borings and collection of soil samples) with the Successor Agency, with notice to ECLP, a minimum of ten (10) calendar days in advance of the desired start of work.

4. **<u>Compensation to Successor Agency:</u>** Permittee shall pay compensation to the Successor Agency:

YES ☐ NO ☐

Access under this Permit is being provided at no fee in furtherance of the obligations hereunder and Permittee's development of the Project.

5. Indemnification:

a. General Indemnification: Permittee shall defend, hold harmless and indemnify the Successor Agency, the City and County of San Francisco (the "**City**") and/or their respective commissioners, members, officers, agents and employees ("**Indemnitees**") of and from any and all claims, demands, losses, costs, expenses, obligations, damages, injuries, actions, causes of action and liabilities of every kind, nature and description directly or indirectly, arising out of or connected with this Permit and any of the Permittee Parties' operations or activities related thereto, and excluding the willful misconduct or gross negligence of the person or entity seeking to be defended, indemnified or held harmless, and excluding any and all claims, demands, losses, costs, expenses, obligations, damages, injuries, action, causes of action or liabilities of any kind arising out of any Release (as defined in Section 6.f below) or threatened release of any Hazardous Substance (as defined in Section 6.d below), pollutant, or contaminant, or any condition of pollution, contamination, or nuisance which shall be governed exclusively by the provisions of Section 6c below. This section does not apply to contracts for construction design services provided by a design professional, as defined in California Civil Code Section 2782.8

b. Indemnification By Design Professionals: This section applies to any design professional as defined in California Civil Code Section 2782.8 who is or will provide professional services as part of, collateral to, or affecting this Permit with the Permittee ("**Design Professional**"). Each Design Professional who will provide design services shall defend, hold harmless and indemnify the Successor Agency, the City and their respective commissioners, members, officers, agents and employees of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional. It is expressly agreed and understood that the duty of indemnification pursuant to this section is to be interpreted broadly to the greatest extent permitted by law, including but not limited to California Civil Code Section 2782.8.

c. No Mechanics' Liens: Permittee shall not permit any mechanics' or other liens to be levied against the Permit Area for any labor or material furnished to Permittee or claimed to have been furnished to Permittee or to Permittee's agents or contractors in connection with the Permitted Use and Permittee shall hold the Successor Agency free and harmless from any and all cost or expense connected with or arising from the Permitted Use.

6. Hazardous Material Acknowledgement and Indemnification:

a. Hazardous Material Acknowledgement: Permittee recognizes that, in entering upon the Permit Area and performing the Permitted Use under this Permit, the Permittee Parties may be working with, or be exposed to, substances or conditions that are toxic or otherwise hazardous. Permittee acknowledges that it is solely responsible for identifying and evaluating the potential risks involved and to take all appropriate precautions to avoid such risks to the Permittee Parties. Permittee agrees that it is assuming full responsibility for ascertaining the existence of such risks, evaluating their significance, implementing appropriate safety precautions for the Permittee Parties and making the decision on how (and whether) to enter upon the Permit Area and carry out the Permitted Use, with due regard to such risks and appropriate safety precautions.

b. Proper Disposal of Hazardous Materials: Permittee assumes sole responsibility for managing, removing and properly disposing of any waste produced during or in connection with entry and/or the Permitted Use of the Permit Area under this Permit, including, without limitation, preparing and executing any manifest or other documentation required for or associated with the removal, transportation and disposal of hazardous substances to the extent required in connection with any Permitted Use hereunder.

c. Toxics Indemnification: Permittee shall defend, hold harmless and indemnify the Indemnitees from and against any and all claims, demands, actions, causes of action or suits (actual or threatened), losses, costs, expenses, obligations, liabilities, or damages, including interest, penalties, engineering consultant and attorneys' fees of every kind, nature and description, resulting from any release or threatened release of a hazardous substance, pollutant, or contaminant, or any condition of pollution, contamination, or nuisance in the vicinity of the Permit Area or in ground or surface waters associated with or in the vicinity of the Permit Area to the extent that such release or threatened release, or condition is directly created or aggravated by a Permitted Use undertaken pursuant to this Permit or by any breach of or failure to duly perform or observe any term, covenant or agreement in this Permit to be performed or observed by the Permittee, including but not limited to any violation of any Environmental Law (as defined in Section 6.e below); provided, however, that Permittee shall have no liability, nor any obligation to defend, hold harmless or indemnify any person for any claim, action, loss, cost, liability, expense or damage resulting from the discovery or disclosure of any pre-existing condition on or in the vicinity of the Permit Area; and provided further that Permittee shall be held to a standard of care no higher than the standard of care applicable to environmental and geotechnical professionals in San Francisco.

d. Hazardous Substances: For purposes of this Permit, the term "**Hazardous Substance**" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U. S. C. Section 9601(14), and in addition shall include, without limitation, petroleum, (including crude oil or any fraction thereof), asbestos, asbestos-containing materials, polychlorinated biphenyls ("**PCB**"), PCB-containing materials, all hazardous substances identified at California Health & Safety Code Sections 25316 and 25281(d), all chemicals listed pursuant to California Health & Safety Code Section 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under applicable state or local law.

e. Environmental Laws: For purposes of this Permit, the term "**Environmental Laws**" shall include but not be limited to all federal, state and local laws, regulations, ordinances, and judicial and administrative directives, orders and decrees dealing with or pertaining to solid or hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee and community right-to-know requirements, related to the Permitted Use.

f. Release: For purposes of this Permit, the term "**Release**" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance or pollutant or contaminant).

g. <u>Soils Investigation:</u> Permittee warrants and covenants as follows:

(1) If any soils investigation permitted hereby involves the drilling of holes having a diameter dimension that could create a safety hazard for persons, said holes shall during any drilling operations be carefully safeguarded and shall upon the completion of said drilling operations be refilled (and compacted to the extent necessary) to the level of the original surface penetrated by the drilling.

(2) The Successor Agency has no responsibility or liability of any kind or character with respect to any utilities that may be located in or on the Permit Area. Permittee has the sole responsibility to locate the same and to protect the same from damage. Permittee shall be solely responsible for any damage to utilities or damage resulting from any damaged utilities. Prior to the start of the Permitted Use, the Permittee shall contact Underground Services Alert for assistance in locating existing utilities at (800) 642-2444. Any utility conduit or pipe encountered in excavations not identified by Underground Services Alert shall be brought to the attention of the Successor Agency's Engineer immediately.

(3) All soils test data, and reports prepared or based thereon, obtained from these activities ("**Testing Information**") shall be provided to the Successor Agency upon request and the Successor Agency may use said Testing Information for whatever purposes it deems appropriate, provided that the Successor Agency assumes all risk of use of the Testing Information for purposes other than the intended purpose of the reports, i.e., the construction of the Project. Successor Agency acknowledges that Permittee is not providing any advice to Successor Agency, whether legal or otherwise, by providing the Testing Information.

(4) Any hole drilled shall, if not refilled and compacted at the end of each day's operation, be carefully safeguarded and secured after the completion of each day's work, as shall the drilling work area and any equipment if left on the Permit Area.

7. <u>Insurance</u>: Permittee shall procure and maintain insurance coverage as set forth in Attachment C to this permit for the duration of the Permit, including any extensions, insurance against claims for injuries to persons or damages to property which may arise from or in connection with performance of Permitted Use by the Permittee Parties. The cost of such insurance shall be borne by the Permittee. Permittee shall include the Permittee Parties as insureds under its policies or shall require any Permittee Parties not so included to comply with all coverages provided in Attachment C unless otherwise permitted by the Successor Agency, including, upon request, furnishing separate insurance certificates and endorsements. All coverages for subpermittees shall be subject to all the requirements stated in <u>Attachment C</u>.

8. **"As Is", Maintenance, Restoration, Vacating:** The Permit Area is accepted "**AS IS**" and entry upon the Permit Area by the Permittee Parties is an acknowledgment by Permittee that all dangerous places and defects in said Permit Area are known to it and are to be made secure and kept in such secure condition by Permittee. Permittee shall ensure that any portion of the Permit Area undergoing a Permitted Use shall be maintained so that it will not be unsafe, unsightly or unsanitary. If fulfilling such obligations reasonably requires the exclusion of the public from portions of the Permit Area, Permittee shall provide prior notice of such to the Successor Agency and ECLP as part of its notification obligations under Section 3 hereof. Upon termination of the Permit, all Permittee Parties shall vacate the Permit Area and remove any and all personal property located thereon and restore the Permit Area to its condition at the time of entry, unless otherwise agreed to by the Successor Agency. As a condition to termination of this Permit, Successor Agency shall have the right to inspect the Permit Area to ensure compliance with the foregoing restoration obligation to its reasonable satisfaction. The Successor Agency shall have the right without notice to dispose of any property left by any Permittee Parties after they have vacated the Permit Area. Successor Agency makes no representations or warranties, express or implied, with respect to the environmental condition of the Permit Area or the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), or compliance with any Environmental Laws, and gives no indemnification, express or implied, for any costs of liabilities arising out of or related to the presence, discharge, migration or Release or threatened Release of the Hazardous Substance in or from the Permit Area.

9. Compliance With Laws:

a. Compliance with all Laws: All activities and operations of the Permittee Parties under this Permit shall be in full compliance with all applicable laws and regulations of the federal, state and local governments, including but not limited to mitigation measures, if any, which are attached hereto and made a part hereof as if set forth in full.

b. Nondiscrimination: The Permittee herein covenants for himself or herself and for all persons claiming in or through him or her that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, gender identity, marital or domestic partner status, disability (including AIDS or HIV status), national origin or ancestry in the use, occupancy or enjoyment of the Permit Area.

10. Safety and Security of Permit Area: Permittee acknowledges that, as of the date of this Permit, the Permit Area is partially fenced with temporary construction fencing, and Permittee shall repair or shall cause the repair of any damage caused by any of the Permittee Parties or as a result of the Permitted Use. Temporary fencing may be removed or relocated by Successor Agency or ECLP to accommodate public uses pursuant to the ECLP Agreement. As applicable, Permittee shall enter the Permit Area through existing gates and may not relocate the fence without prior written permission of the Successor Agency. Permittee acknowledges that ECLP, its invitees and members of the public may be engaged in uses allowed within the Permit Area or areas adjacent to the Permit Area subject to the ECLP Agreement. Prior to engaging in any Permitted Use that requires a physical disturbance to the site, Permittee shall confirm current Permit Area conditions through a site visit and coordination with Successor Agency and ECLP, and shall submit for advance Successor Agency review and approval, a logistics and security plan. The plan will specify the location and nature of the planned work, requested timeframe, describe necessary equipment, and detail methods to secure the work area from members of the public. Such methods may include, but are not limited to temporary partitions, fencing, on-site in-person monitoring by Permittee or subpermittees, signage, and cones and tape. Methods will be adjusted to reflect the then-current use of the Permit Area and nature of the Permitted Use. Permittee shall secure any of Permittee Parties' equipment to be left within the Permit Area when not in active use. Permittee shall coordinate with Successor Agency and ECLP to notify the public of any Permitted Use that may impact public use of and access to active areas under the ECLP Agreement, and to identify and prepare communication tools to notify the public of closures as appropriate.

11. **Early Termination:** This Permit may be terminated by the Successor Agency in its sole discretion upon 24 hours' prior written notice and reasonable opportunity for Permittee to safely remove any property or equipment situated within the Permit Area. Posting at the Permit Area shall be sufficient notice.

12. **Entry under Permittee Authority:** The Permit granted Permittee for the Permitted Use as defined in Section 2 shall mean and include all Permittee Parties. In this regard, Permittee assumes all responsibility for the safety of all persons and property and any contents placed in the Permit Area pursuant to this Permit. All Permitted Uses performed in the Permit Area and all persons entering the Permit Area and all property and equipment placed therein in furtherance of the permission granted herein is presumed to be with the express authorization of the Permittee.

13. **Governing Law:** This Permit shall be governed by and interpreted under the laws of the State of California.

14. **Attorneys' Fees:** In any action or proceeding arising out of this Permit, the prevailing party shall be entitled to reasonable attorneys' fees and costs. For purposes of this Permit, the reasonable fees of attorneys of either party shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the attorney's services for either party were rendered who practice in the City in law firms with approximately the same number of attorneys as employed by the San Francisco City Attorney's Office.

15. **Supplementary Provisions:** Permittee shall require all Permittee Parties to agree to and comply with all applicable terms, covenants and conditions of this Permit as a condition of allowing entry to the Permit Area. Permittee Parties may be covered under Permittee's insurance in lieu of obtaining and maintaining separate insurance pursuant to Section 7.

[Remainder of page left blank. Signatures begin on following page.]

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body existing and operating under the laws of the State of California:

By: ____________________
Thurston Kaslofsky
Executive Director

APPROVED AS TO FORM:

By: ____________________
James B. Morales
General Counsel

PERMITTEE:
Transbay Block 4 West, LP
a California limited partnership

By: ____________________
Name:
Title:

ATTACHMENT A

PERMIT AREA

ATTACHMENT B

PERMITTED USE

ATTACHMENT C

INSURANCE REQUIREMENTS

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Developer must obtain and maintain, or caused to be maintained, insurance as set forth in this Attachment 5 throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII. If and when the Developer and OCII enter into a gap loan agreement or other agreements authorizing or funding the construction of the Project, OCII will adjust these insurance requirements to reflect the risks associated with construction-related activities.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Attachment 5 for more detailed descriptions of policy requirements.

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

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

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Before the start of demolition/construction if the Site is unoccupied, Developer and Developer's Contractors will maintain coverage of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence and Four Million Dollars ($4,000,000)

annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Developer should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Developer and construction contractors during the construction period.

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

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

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

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

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

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to

OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Developer shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

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

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

F. General Requirements.

1) If the Developer maintains additional coverages and/or higher limits than the minimums shown in this Attachment 5, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Developer.

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

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

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

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

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

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

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

1) Identify the following as the certificate holder:

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

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

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

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

ATTACHMENT 7

DESIGN REVIEW AND DOCUMENT APPROVAL PROCEDURE FOR TRANSBAY BLOCK 4 WEST AND THE TEHAMA IMPROVEMENTS

BACKGROUND

This Design Review and Document Approval Procedure ("DRDAP") sets forth the procedure for design submittals by the Developer of the plans and specifications for the development of Block 4 West and the Tehama Parcel (together, Block 4 West and the Tehama Parcel comprise the "Site" for the purposes of this DRDAP) within Zone 1 of the Transbay Redevelopment Project Area ("Project Area") and their review and consideration for approval ("Project Approval") by OCII. The development program for the Site consists of one below-market-rate residential project with ground-floor retail; associated streetscape improvements on Howard Street, Beale Street, and the planned extension of Tehama Street; public and private open spaces; other permanent structures; and the design and development of the portion of Tehama Street to be constructed between Block 4 and Block 3. Other departments and agencies of the City and County of San Francisco ("City Agencies") shall review the plans and specifications for compliance with applicable City and County of San Francisco ("City") regulations.

Documents for Project Approval

Project Approval documents shall consist of three components or phases:

- Schematic Design Documents,
- Design Development Documents, and
- Final Construction Documents.

Detailed submission requirements are outlined in Exhibit 1.

Scope of Review

OCII, in consultation with the San Francisco Planning Department, San Francisco Department of Building Inspection ("DBI"), San Francisco Public Works ("SFPW"), and other City Agencies, shall review and approve "Schematic Design Documents," "Design Development Documents," and "Final Construction Documents," each as defined below, for conformity with any prior approvals, the Redevelopment Plan for the Transbay Redevelopment Project Area ("Redevelopment Plan") and accompanying Plan Documents (as defined in the Redevelopment Plan), including but not limited to the Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls"), the Transbay Redevelopment Project Area Design for Development ("Design for Development"), and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan ("Streetscape Plan"). OCII's review shall include consideration of such items as the architectural design, site planning, streetscape design and landscape design as applicable and appropriate to each submittal.

Timing

The redevelopment of Zone 1 of the Project Area established by the Redevelopment Plan and the Development Controls is a priority project for the City and OCII. OCII shall expeditiously review all applications for Project Approvals. OCII staff shall keep the Developer informed of OCII's review and comments, as well as comments by City Agencies, other government agencies, or community organizations consulted by OCII, and shall provide Developer opportunities to meet and confer with OCII and City staff prior to Commission on Community Investment and Infrastructure ("CCII") hearings, to review the specific application for Project Approval.

Other Project Approval Requirements

Mitigation Monitoring Report

Prior to OCII approval of the Site Permit, the Developer shall submit a mitigation plan (the "Mitigation Plan") describing its program for monitoring and ensuring compliance with the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Mitigation Monitoring and Reporting Program ("MMRP"). The mitigation measures are intended to reduce the major impacts of this Project on the environment. OCII shall review such Mitigation Plan to ensure compliance with the MMRP. The Mitigation Plan shall require that, after the start of construction activities, the Developer submit quarterly reports to OCII staff documenting compliance with the MMRP. After completion of construction activities and prior to receiving from the City a Certificate of Final Completion and Occupancy, the Developer shall submit to OCII staff a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the MMRP.

Cooperation by Developer

In addition to the required information set forth in Exhibit 1 attached hereto, the Developer shall submit materials and information as OCII staff may reasonably request that are consistent with the type of documents listed in Exhibit 1 and that are required to clarify a submittal provided pursuant to this DRDAP. Additionally, the Developer shall cooperate with, and participate in, design review presentations to the CCII and other hearing bodies and to the public through the Transbay Citizens Advisory Committee ("CAC").

Community Review of Design Submittals

OCII staff will provide the CAC with regular updates on the Project Approval review process, and at the request of OCII staff, Developer will provide sufficient presentation materials to fully describe design submittals. Once a submittal is deemed complete, OCII staff will schedule CAC meetings to allow adequate review by CAC and community members before further approvals.

SCHEMATIC DESIGN REVIEW

"Schematic Design Documents" shall be submitted to OCII for review and consideration. Schematic Design Documents shall include the items and deliverables as outlined in Exhibit 1. The Schematic Design Documents will serve as the Project proposal that is considered for approval by the CCII and will constitute the Block 4 West development entitlement.

Timing

OCII staff shall review the Schematic Design Documents for completeness and advise the Developer in writing of any deficiencies within ten (10) working days following receipt of the Developer's Schematic Design submittal. In the event OCII staff does not so advise the Developer, the application for Schematic Design shall be deemed complete. OCII staff shall review and provide Schematic Design comments within forty-five (45) calendar days from the date following

OCII's issuance of a letter confirming completeness of the Schematic Design application. OCII shall take such reasonable measures necessary to comply with the time periods set forth herein.

The CCII shall review and approve, conditionally approve or disapprove the application for Schematic Design. If the CCII disapproves the Schematic Design Documents in whole or in part, the CCII shall set forth the reasons for such disapproval in the resolution adopted by the CCII. If the CCII conditionally approves the Schematic Design Documents, such approval resolution shall set forth the concerns and/or conditions on which the CCII is granting approval. If the CCII disapproves an application in part or approves the application subject to specified conditions ("Conditions of Approval"), then, in the sole discretion of the CCII, the CCII may delegate approval of such resubmitted or corrected documents to the OCII Executive Director or their designee.

The Developer and OCII may agree to any extension of time necessary to allow revisions of Schematic Design submittals. OCII shall review all revisions as expeditiously as possible. If revisions are made within an existing review period, the revisions shall permit up to fifteen (15) calendar days of additional OCII staff review within the original review time frame or within a revised period of time of the extension agreed to by OCII and the Developer. If revisions are made after an original design approval by the CCII, and the revisions are determined to be required to be resubmitted to the CCII, the CCII shall either approve or disapprove such resubmitted or corrected documents as soon as practicable.

<u>Document Submittals</u>

The Developer shall submit the Schematic Design Documents, which shall include the documents and information listed in Exhibit 1 attached hereto. OCII staff may waive certain document submittal requirements if OCII staff determines such documents are not necessary for the specific application.

DESIGN DEVELOPMENT REVIEW

Developer shall submit the Design Development Documents for review and either approval, conditional approval, or disapproval by OCII design review staff, following CII approval of the Project's Schematic Design.

<u>Scope</u>

OCII staff shall review the Design Development Documents for consistency with earlier approved documents, the Redevelopment Plan and other Plan Documents, including the Development Controls and the Streetscape Plan. The "Design Development Documents" will include design development level of detail for the Project. The purpose of this submittal is to expand and develop the Schematic Design Documents incorporating changes resulting from resolution of any Conditions of Approval of the Schematic Design Documents and to prepare architectural, structural, mechanical and electrical systems drawings and other documents.

<u>Timing</u>

OCII staff shall review the Design Development Documents for completeness and general consistency with the approved Schematic Design Documents and shall advise the Developer in writing of any deficiencies within ten (10) working days after the receipt of the Design Development Documents. In the event OCII staff does not so advise the Developer, the Design Development Documents shall be deemed complete. OCII staff shall review and provide Design Development comments within forty-five (45) calendar days following OCII's issuance of a letter confirming completeness of the Design Development Document application. OCII staff shall take such reasonable measures necessary to comply with the time periods set forth herein. If the Design Development Document application deviates substantially from the approved Schematic Design, does not meet the conditions outlined in the approval resolution for the Project's Schematic Design, or requires extensive revisions or clarifications, the time limit may be extended at OCII Executive Director's discretion.

The Developer and OCII staff may agree to any extension of time necessary to allow revisions of Design Development submittals prior to a decision by OCII design review staff. OCII design review staff shall review all such revisions as expeditiously as possible, within the time frame of the extension agreed to by OCII staff and the Developer.

Document Submittals

The Developer shall submit Design Development Documents, which submittal shall include the documents and information listed in Exhibit 1 attached hereto. OCII staff may waive certain document submittal requirements if OCII staff determine such documents are not necessary for the specific application.

FINAL CONSTRUCTION DOCUMENT REVIEW

Scope/Timing

The Final Construction Documents submittal will include construction documents level of detail for the Project. The purpose of this submittal is to expand and develop the Design Development Documents to their final form, prepare drawings and specifications in sufficient detail to set forth the requirements for the construction of the Project and to provide for permitting. Final Construction Documents may be divided and submitted in accordance with an addenda schedule for the Project approved in writing in advance by the DBI and OCII design review staff or their designee. Provided the Developer's Final Construction Documents are delivered to OCII design review staff concurrently with permit submittal to DBI and to SFPW, Final Construction Documents shall be reviewed by OCII design review staff within thirty (30) calendar days following OCII staff's receipt of such approved documents from DBI, SFPW, and any other appropriate City Agencies having jurisdiction.

Document Submittals

Documents submitted at this stage in the design review will include construction documents level of detail for the Project. The Final Construction Documents submittal shall include the information specified for the Final Construction Documents in Exhibit 1 attached hereto.

COMPLIANCE WITH OTHER LAWS AND PERMITS

No OCII or CCII review will be made or approval given as to the compliance of the Design Development Documents or the Final Construction Documents with any building codes and standards, including building engineering and structural design, or compliance with building codes or regulations, or any other applicable state or federal law or regulation relating to construction standards or requirements, including, without limitation, compliance with any local, state or federal law or regulation related to the suitability of the improvements for use by persons with physical disabilities.

OCII Review of City Permits

No demolition, new construction, tenant improvement, alteration, or signage permit for the Project shall be issued by DBI or SFPW unless OCII has reviewed and approved the permit application.

Subdivision Map Review

The review and approval of Project Approval applications by OCII pursuant to this DRDAP are in addition to and do not waive the requirements for subdivision review and approval as specified in the Subdivision Map Act. The processing of a subdivision map may occur concurrently with or independently of a Project Approval.

Temporary and Interim Uses

OCII staff shall review applications for temporary and interim uses for approval, conditional approval or denial based on compatibility with surrounding land uses and compliance with this Agreement, the Redevelopment Plan, and the Plan Documents.

Site Permits

The Developer may seek to apply for Site Permit(s) application from the Department of Building Inspection after CCII's approval of the Schematic Design Documents but prior to OCII's approval of the Design Development Documents at its own risk and with OCII notification. OCII staff shall review the Site Permit application for completeness and general consistency with the approved Schematic Design Documents and shall advise the Developer in writing of any deficiencies within ten (10) working days after the receipt of the Site Permit. In the event OCII staff does not advise the Developer, the Site Permit shall be deemed complete. Site Permit application shall be approved by OCII after its approval of the Design Development Documents.

Notwithstanding the foregoing, the Developer may also apply for City permits related to grading and excavation activities prior to OCII's approval of the Design Development Documents, provided that OCII design review staff approves such activities prior to issuance of any City permits. Grading and excavation are often the first two permits.

Pursuant to such Site Permit process, the Final Construction Documents may be divided and submitted to DBI in accordance with an addenda schedule for the Project approved in writing in advance by OCII and the DBI. Construction may proceed after the appropriate Site Permit addenda have been issued, including, for example, and without limitation, addenda for foundations, superstructure, and final building build-out. In no case shall construction deviate from, or exceed the scope of, the issued addenda.

Other City Permits

Street Improvement Permit (SIP)

The Developer shall send OCII a copy of the Street Improvement Permit Application when submitting to the City. The Developer shall keep OCII staff updated with the progress of the application's review, including any potential deviations from the approved streetscape design due to City and comments from other agencies. Any interim or final approval of the application shall be notified to OCII.

MODIFICATIONS AND AMENDMENTS TO PROJECT APPROVAL

OCII staff may, by written decision, approve Project Approval applications which amend or modify the previously approved version of the Project, provided that the following determinations are made:

(1) the Project Approval requested involves a deviation that does not constitute a material change;
(2) the requested Project Approval will not be detrimental to the public welfare or injurious to the property or improvements in the vicinity of the Project; and
(3) the granting of the Project Approval will be consistent with the general purposes and intent of the Transbay Redevelopment Plan, Development Controls, and other Plan Documents.

In the event that OCII determines that the Project application deviates materially from the project already approved by OCII, OCII may require submittal of an amended Project application, as appropriate, for review by OCII and City Agencies in accordance with the provisions herein.

Major amendments and modifications will be processed in accordance with this DRDAP.

GOVERNMENT REQUIRED PROVISIONS, CHANGES

OCII and the Developer acknowledge and agree that neither one will delay or withhold its review or approval of those elements of or changes in the Schematic Design Documents, Design Development Documents or Final Construction Documents that are required by any City agency, including DBI, SFPW, the Fire Marshall, or any other government agency having jurisdiction; provided, however, that (i) the party whose review or approval is sought shall have been afforded a reasonable opportunity to discuss such element of, or change in, documents with the governmental authority requiring such element or change and with either the Developer's or OCII staff, as the case may be, and (ii) the Developer or OCII shall have reasonably cooperated with the other and such governmental authority in seeking such reasonable modifications of such required element or change as the other shall deem necessary or desirable. The Developer and OCII each agree to use its diligent, good faith efforts to obtain the other's approval of such elements or changes, and its request for reasonable modifications to such required elements or changes, as soon as reasonably possible.

EXHIBIT 1:
DOCUMENTS TO BE SUBMITTED FOR PROJECT APPROVALS

During each phase of the project design review process, OCII design review staff and the Developer shall agree upon the scale of the drawings for project submissions. OCII staff and the Developer shall also discuss and agree upon the scope of the subsequent project submissions recognizing that each project is unique and that all documents outlined herein may not be required for each project.

The Design Development Documents and other Construction Documents submittals shall be prepared by an architect licensed to practice in and by the State of California.

The Developer shall submit a report outlining compliance with the adopted Mitigation and Monitoring Program with each phase of design review.

SCHEMATIC DESIGN DOCUMENTS

Six (6) hard copies of the Schematic Design Documents shall be submitted to OCII, as well as one digital file (PDF). Documents submitted at this stage in the design review will relate to schematic design level of detail for a specific project. The program of uses, the height of buildings or other factors in the proposed project may trigger some variation in the submittal requirements to illustrate consistency with standards and guidelines in the Redevelopment Plan, Development Controls, the Streetscape Plan, the EIS/EIR and other Plan Documents. Schematic Design Documents shall illustrate building height, building bulk, block development, streetscape installation and public infrastructure designs. A Schematic Design submittal shall include the following documents.

A. <u>Written Statement:</u>

Each submittal shall include a written statement of the design strategy and the size and use of proposed land uses; conformance with the Development Controls and sustainability measures to be implemented by the proposed development; descriptions of the structural and energy systems and principal building materials; and floor area calculations.

If the Developer proposes variations to the regulatory documents, including but not limited to, the Redevelopment Plan, the DCDG or the Streetscape Plan, the written statement shall include arguments providing the justifications for each proposed variation.

B. <u>Data Charts:</u>

Data charts should detail project program information, including:

a) Area of the development parcel(s) in square feet

b) Total building area in square feet

c) Development Parcel lot coverage

d) Program of building uses and approximate gross square footage of each use by floor. Building uses may include, but are not limited to: residential, commercial, common/amenity space, parking, loading, utility/MEP, circulation, private residential open space, public, shared and private open spaces.

e) Total residential unit count including affordable units, unit sizes measured in net square feet, unit types (e.g. number of bedrooms) by floor, and percentage of unit types

f) Open space areas meeting the requirements of the Development Controls in square feet

g) Number of on- and off-street automobile parking, bike parking and loading spaces, including car-share spaces

C. <u>Vicinity Plan:</u>

In addition to the Site Plan for the immediate area of the project under review, a diagrammatic vicinity plan should be submitted showing the project in the context of planned and existing:

1) Land uses, particularly retail facilities;

2) Vehicular, transit, bicycle and pedestrian circulation; and

3) Public open space and community facilities

D. <u>Site Plan:</u>

The Site Plan will pertain to the total area of development and improvement included in this project which may include required streets, open space and other existing infrastructure improvements. A Site Plan or Plans as needed (at a scale of 1" = 40'-0" or another appropriate scale as agreed to by OCII staff), should indicate the location of uses; the general location, scale, relationship, and orientation of buildings; the general Site circulation and relationship of ground floor uses, and:

1) Proposed parcel boundaries and dimensions

2) Building footprints showing location of proposed uses and setbacks with dimensions

3) Sidewalks with dimensioned widths including dimensions of any proposed curb-cuts

4) Proposed public open space and Project open space areas with dimensions

5) Existing and proposed dimensioned improvements to the roads, curb-cuts, sidewalks, and pedestrian connections at intersections and any mid-block crossings

6) Parking, driveways and loading facilities (including interim facilities); Product information for any specialized/mechanical parking systems

7) Circulation diagram including entry locations for pedestrians, autos, bikes, and service vehicles

E. <u>Building Massing:</u>

Building plans, elevations, sections, and three-dimensional figures sufficient to describe the building location, orientation and massing including relevant dimensions, labels and key maps.

a) Building plans for each building level including the roof level, sufficient to describe the location, floor layout, property lines and setback dimensions, rooms and program by floor, circulation, open spaces, residential unit types and numbers and finished floor elevations. Scale: minimum 1/16"=1' (or another appropriate scale as agreed to by OCII staff).

b) Building sections sufficient to describe the building heights, rooftop mechanical, mechanical screening and parapet heights, property lines and setback dimensions, vertical and horizontal building dimensions, floor-to-floor heights, finished floor elevations, dimensions of all building projections extending over setback and property lines, ramp location and slope and sidewalk grade. Scale: minimum 1/16"=1'-0" (or another appropriate scale as agreed to by OCII staff).

c) Building elevations and materials palette sufficient to describe the architectural character and materiality of all building frontages, including interior courtyard elevations and enlarged elevations where needed to illustrate a greater level of detail. Label all property lines, setbacks, floor levels and maximum dimensions of future exterior signage locations. Illustrate, at a conceptual level, all balconies, stoops, gates, fences, building entrances, garage doors, canopies and awnings, rooftop elements and open spaces. Label or include a legend to identify all exterior building materials and glazing types. Scale: minimum 1/16"=1 '0 (or another appropriate scale as agreed to by OCII staff).

d) Landscape plans, sections and materials palette integrated with building and utility plans and sufficient to describe the general landscape design for public, private common and private open spaces, including setback areas. Label all property lines and setback dimensions. Landscape plans should include proposed materials, paving types and dimensions, planter locations, depth and dimensions, tree types and spacing, pedestrian paths, curb cuts and ramps, emergency vehicle access path-of-travel, lighting, landscape furnishings and bollards. Plant palette shall conform to the goals established by applicable San Francisco Biodiversity Policy Resolution. Plans shall include basic information on lighting types and fixtures. Scale: minimum 1/16"=1'0" (or another appropriate scale as agreed to by OCII staff).

e) Special building features including, but not limited to, shading, screening, cladding, projections, and storefront design sufficiently described by enlarged plans, sections, elevations and close-up renderings to clarify the relationship with the wall or window façade behind and around.

f) <u>Three-Dimensional Perspectives, Sketches and Renderings</u>: Axonometric views, perspectives, sketches and renderings of the project (and other appropriate illustrative materials as requested by OCII staff) to represent the overall architectural character and relationship of the project to the public realm.

F. <u>Infrastructure Plans:</u>

Infrastructure Plans should be submitted showing:

a) Existing Site infrastructure and streetscape, including proposed demolition or relocation of existing structures, utilities, infrastructure, street trees, curb cuts or streetscape elements;

b) Proposed roadway and streetscape improvements (including pathways) and the dimensions thereof;

c) Off-site transportation measures required as part of the Mitigation and Monitoring program (if any); and

d) Utilities, including water, wastewater, and dry utilities.

G. <u>Phasing Plan:</u>

Within the Project, any anticipated phasing of construction or temporary improvements, including temporary or interim parking facilities, construction staging areas, and interim infrastructure, if any, shall be indicated.

H. <u>Model:</u>

A digital model shall be submitted to OCII which shall be prepared at an appropriate scale indicating the exterior building design including façade articulation and texture of materials.

I. <u>Materials Board:</u>

Physical samples of proposed materials and exterior colors for both buildings and landscapes shall be submitted to OCII in a manner to allow reviewing staff and members of the public to understand where materials are to be used and how they relate to each other.

DESIGN DEVELOPMENT DOCUMENTS

Documents submitted at this stage in design review will relate to design development level of detail for a specific project. The purpose of this submittal is to expand and develop the Schematic Design, incorporating changes resulting from resolution of comments and concerns during the Schematic Design phase and to prepare drawings and other documents as to architectural, structural, mechanical and electrical systems.

The Design Development Documents submission for a specific project should generally be consistent with the Schematic Design approval.

A. <u>Schematic Design Conditions of Approval and Data Charts:</u>

List of Conditions of Approval and Data charts should detail project information, including:

1) Schematic Design Conditions of Approval, as a checklist with a response indicating how each condition has been satisfied and referenced to the sheet number.

2) Area of the development parcel in square feet

3) Total building area in square feet

4) Development Parcel / lot coverage

5) Detailed program of building uses and approximate gross square footage of each use (totals and broken out by floor). Building uses may include, but are not limited to: residential,

commercial, common/amenity space, parking, loading, utility/MEP, circulation, private residential open space, and public, shared and private pen spaces

6) Total residential unit count including affordable units, unit numbers and sizes (in square feet), unit types (number of bedrooms), and percentage of unit types (totals and broken out by floor)

7) Open space areas meeting the requirements of the Development Controls in square feet

8) Number of on- and off-street automobile parking, bike parking and loading spaces, including car-share spaces (if any)

B. Site Plans:

1) Proposed parcel boundaries and dimensions.
2) Building footprints showing location of proposed uses and dimensions of building setbacks and sidewalk.
3) Demolition plans
4) Proposed public open space, shared open space and private open space areas with dimensions
5) Parking, driveways and loading facilities (including interim facilities); details for any specialized/mechanical parking systems used.
6) Circulation diagram including entry locations for pedestrians, autos, bikes, and service vehicles
7) Roads, sidewalks, mid-block connections, any transit facilities
8) Streets and points of vehicular and pedestrian access shall be shown, indicating proposed new paving, planting, and lighting if applicable.
9) All utilities or service facilities which are a part of or link this project to the public infrastructure shall be shown
10) Grading plans depicting proposed finished ground and building floor level elevations
11) Site drainage and roof drainage
12) Required connections to existing and proposed utilities
13) All existing structures adjacent to the Site

C. Building Plans, Elevations, Sections and Views:

1) All building floor plans and matching elevations including structural system, showing all the proposed layouts of all rooms, functions, and features. Scale: minimum 1/8"=1' (or another appropriate scale as agreed to by OCII staff).

2) Building roof plan shall include location and details of screening design for all rooftop equipment, and roof drainage.

3) All overall building elevations, matching plans and showing the exterior façade materials, supported by enlarged interior courtyard elevations and street level elevations showing details at an appropriate scale of various building elements and façade assemblies.

4) Building sections showing typical cross sections and details at an appropriate scale, and indicating walls at interior courtyard, adjacent open spaces at upper floor levels and at ground floor uses to pedestrian outdoor areas on the street; underground facilities and parking system; screening of mechanical equipment on the roof.

5) Detailed streetscape plan indicating all required streetscape facilities and City-required facilities, including the new East Tehama Street right-of-way improvements.

6) Landscape design plans showing details of landscape elements at the ground and upper level open spaces, including walls, fences, planting, outdoor furnishing and seating, outdoor lighting, and paving materials. Appropriate reference to improvements in the City's right-of-way shall be shown.

7) Drawings showing structural, mechanical, and electrical systems.

8) Materials and color samples as they may vary from those submitted for Schematic Design approval.

9) Overall wall sections and details illustrating exterior cladding systems, storefronts, canopies, parapets etc. Scale: minimum 1/8"=1' (or another appropriate scale as agreed to by OCII staff).

10) Axonometric views, sketches, and other appropriate illustrative materials acceptable to OCII as necessary to indicate the specific architectural character of the project from all sides, and its close-up relationship to the pedestrian level.

11) A Signage Master Plan for the entire development, for OCII approval, if any sign locations and design have been identified. Alternatively, the Signage Master Plan may be submitted separately, at a later stage, for OCII's prior approval before any signage plans are submitted.

12) Design details of all primary exterior conditions sufficient to establish baseline for Final Construction Documents.

13) Scope, extent and plans for a physical architectural design performance-based mock-up, including primary building materials, color palette, wall systems, glazing and its transparency, material joints and sealants and detail installation. OCII staff shall approve a) mock-up plans prior to mock-up construction, and b) mock-up materials, in advance of approval for purchasing building materials and shipping.

14) Outline of specifications for materials and methods of construction.

FINAL CONSTRUCTION DOCUMENTS

Documents submitted at this phase in the design review will relate to the construction documents level of detail for a specific project. The purpose of this submittal is to expand and develop the Design Development Documents, prepare drawings and specifications in sufficient detail to set forth the requirements of construction of the project and to provide for permitting.

Architectural Mock-up Construction: In advance of building permit issuance or start of building construction or materials procurement and shipping approval by OCII, construct a physical performance-based material mock-up per approved scope in Design Development Documents, to allow for OCII, design team and contractor review of material consistency, durability, texture, color and detail installation.

The Final Construction Documents shall generally be consistent with the approved Design Development Documents. The Final Construction Documents shall comply with the requirements of DBI and SFPW, including Site Plans and Construction Drawings and Specifications ready for bidding. In addition, the Developer shall submit a presentation of all exterior color schedules including samples, if appropriate, and design drawings for all exterior signs and graphics prior to completed construction. OCII staff and Developer shall continue to work to resolve any outstanding design issues, as necessary.

LOAN AGREEMENT

By and Between

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

and

Transbay Block 4 West, LP, a California Limited Partnership

for

Transbay Block 4 West Predevelopment Loan
$5,000,000

Dated as of April 7, 2026

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EXHIBITS

<u>LOAN AGREEMENT</u>
Transbay Block 4 West
Predevelopment Loan
Transbay Redevelopment Project Area

THIS LOAN AGREEMENT ("**Agreement**") is entered into as of ______________, 2026 by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**, a public body organized and existing under the laws of the State of California and commonly known as the Office of Community Investment and Infrastructure ("**Successor Agency**" or "**OCII**"), and Transbay Block 4 West, LP, a California limited partnership (the "**Borrower**"), whose co-general partner is Young Community Developers, a California nonprofit public benefit corporation ("**AGP**"), and whose managing general partner is Transbay Block 4 West, LLC, a California limited liability company ("**MGP**"), and their authorized successors and assigns.

RECITALS

A. In furtherance of the objectives of the Community Redevelopment Law of the State of California (Cal. Health & Safety Code § 33000 et seq.) ("**CRL**"), the former San Francisco Redevelopment Agency ("**Former Agency**") undertook programs for the redevelopment of blighted areas in the City and County of San Francisco ("**City**"), including the Transbay Redevelopment Project Area ("**Project Area**").

B. In 2003, the Transbay Joint Powers Authority ("**TJPA**"), the City, and the State of California ("**State**"), entered into a Cooperative Agreement setting forth the process for the transfer of certain State-owned parcels in the Project Area to the City and the TJPA. Also in 2003, the California Legislature enacted Assembly Bill No. 812 (Statutes 2003, chapter 99), codified at Cal. Public Resources Code § 5027.1, which requires that thirty-five (35%) of new housing developed in the Project Area shall be affordable to low- and moderate-income households ("**Transbay Affordable Housing Obligation**"). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement ("**Implementation Agreement**"), which incorporates the Transbay Affordable Housing Obligation and requires the Successor Agency to prepare and sell certain formerly State-owned parcels and to construct and fund new infrastructure improvements and to meet affordable housing obligations.

C. In accordance with CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), filed in the Office of the Recorder of the City and County of San Francisco as Document No. 2006-I224836, as amended by Ordinance No. 84-15 (June 16, 2015) as Document No. 2015-K135871, as amended by Ordinance No. 62-16 (April 26, 2016) as Document No. 2016-K333253, and as amended by Ordinance No. 09-23 (January 24, 2023) as Document No. 2023041529, and as it may be amended from time to time ("**Redevelopment Plan**").

D. The Redevelopment Plan divides the Project Area into two subareas: Zone One in which the land use controls of the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (2005) (and as currently amended, "**Development Controls**") are applicable and are to be administered by OCII, and Zone Two in which the San Francisco Planning Code applies and is administered by the San Francisco Planning Department.

E. On February 1, 2012, the State of California dissolved all redevelopment agencies including the Former Agency, by operation of law pursuant to California Health and Safety Code Section 34170 et seq. ("**Redevelopment Dissolution Law**"). Under the authority of the Redevelopment Dissolution Law and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission ("**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), OCII is administering the enforceable obligations of the Former Agency. The Redevelopment Plan, Development Controls, Transbay Affordable Housing Obligation, Implementation Agreement, and other relevant Project Area documents remain in effect and OCII retains all affordable housing obligations in the Project Area.

F. Redevelopment Dissolution Law authorizes successor agencies to enter into new agreements if they are "in compliance with a continuing enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5(a). On April 15, 2013, the California Department of Finance ("**DOF**") finally and conclusively determined that the Implementation Agreement and its incorporation of the Transbay Affordable Housing Obligation are continuing enforceable obligations of OCII under Redevelopment Dissolution Law. DOF has confirmed that "any sale, transfer, or conveyance of property related to [the Transbay Final and Conclusive Determination] is authorized." Email from Justyn Howard, Assistant Program Budget Manager, DOF, to Tiffany Bohee, Executive Director, OCII (September 10, 2013, 09:17 AM).

G. On May 8, 2025, OCII issued a Housing Development Request for Proposals (the "**RFP**") to develop, own, and operate mixed-use affordable rental housing units, including units set-aside for households experiencing homelessness at Transbay Block 4 West on a portion of the parcel identified as Lot 1 on Tentative Transfer Map No. 10327 (approved by San Francisco Public Works Order No. 203553) ("**Block 4 Site**").

H. An evaluation panel comprised of OCII staff, City staff, and a member of the Transbay Citizens Advisory Committee reviewed submittals in response to the RFP and recommended the submission from the team led by Mercy Housing California ("**Mercy**") and Young Community Developers ("**YCD**") to develop a portion of the Block 4 Site. The Mercy and YCD proposal included, among other things, a proposal for a comprehensive design that activates the ground floor, assessed financial feasibility, and emphasized services specific to the future resident populations. The proposal stated that Mercy and YCD would enter into a limited partnership to develop the Site, with Mercy as the lead developer and YCD as the co-developer. Mercy would be the lead organization to develop, own, and operate the mixed-use rental housing project serving low-income families and formerly homeless families (the "**Project**") on the western portion of the Block 4 Site (as shown on Exhibit A, the "**Site**"). In addition, Mercy's role would include the initial lease-up and ongoing management of the commercial space in the Project.

I. The Project will provide development of approximately 314 total housing units (including 311 affordable units at affordability levels specified herein and three manager's units), with approximately 20% of units set-aside to serve families experiencing homelessness, subsidized by the Local Operating Subsidy Program ("**LOSP**"), and will include resident-serving amenities, ground floor neighborhood and community-serving commercial space and related ground-level improvements. Affordable units will be provided at a range of income levels and will be comprised of approximately 25% one-bedroom units, 50% two-bedroom units, and 25% three-bedroom units.

J. On January 11, 2021, in accordance with the Option Agreement by and between the City, the TJPA, and the Former Agency (January 31, 2008) and the Agreement for Purchase and Sale of Real Estate by and between the TJPA and Successor Agency, the TJPA conveyed to OCII real property including the Block 4 Site. OCII and Borrower will undertake a merger and resubdivision of this real property that will result in a single parcel for ground lease and development of the Project on the Site as identified in the Redevelopment Plan and in accordance with OCII's enforceable obligations under the Implementation Agreement.

K. On March 6, 2026, the Citywide Affordable Housing Loan Committee ("**Loan Committee**") reviewed OCII staff's evaluation of the request for funding and recommended that OCII provide Borrower with a predevelopment loan of funds subject to certain terms and conditions that are included in this Agreement.

L. Mercy and YCD have executed and provided to OCII a Memorandum of Understanding of Borrower dated as of July 22, 2025 that defines the roles and responsibilities of the two parties in developing the Project.

M. On April 7, 2026, the Commission adopted Resolution No. _______ authorizing the Executive Director to execute an exclusive negotiations agreement ("**ENA**") with Borrower and the developer of the Project to pursue predevelopment activities for the development of the Project on the Site. The ENA establishes a series of predevelopment milestones that, if completed, culminate in the execution of a long-term ground lease agreement ("**Ground Lease**") for the Site, subject to a public hearing and consideration by the Commission.

N. On April 7, 2026, the Commission adopted Resolution No. _______ authorizing the Executive Director to execute this Agreement to extend a loan to the Borrower in an initial amount of Five Million Dollars and No/100 ($5,000,000.00) (the "**Loan**") to fund certain costs related to the Site.

O. On January 30, 2025, the Oversight Board of the City and County of San Francisco approved, by Resolution No. 01-2025, an expenditure for the Project in Item No. 406 of the Recognized Obligation Payment Schedule for the period of July 1, 2025 through June 30, 2026 ("**ROPS 25-26**"), and, on April 11, 2025, the California Department of Finance finally approved ROPS 25-26.

P. Under Redevelopment Dissolution Law, OCII must transfer completed affordable housing assets to the Mayor's Office of Housing and Community Development ("**MOHCD**") as the Housing Successor designated under Board of Supervisors Resolution No. 11-12 (January 26, 2012) and Section 34176 of the California Health and Safety Code. If and when Borrower completes the Project, OCII intends to transfer the affordable housing loan agreement, asset, and Ground Lease to MOHCD.

Q. Borrower shall use the Loan to pay for Predevelopment Activities associated with the Site.

AGREEMENT

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

ARTICLE 1 DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

"**CNA**" means a 20-year capital needs assessment or analysis of replacement reserve requirements.

"Construction/Permanent Loan" has the meaning set forth in Section 3.3.

"COP Holder" means Certificate of Preference Holder. Certificate of Preference Holders are income-eligible persons displaced by the Former Agency's actions (and their descendants) and who receive a preference in the renting or purchasing of affordable housing assisted by the Former Agency or OCII under state law (Cal. Health & Safety Code §§ 33411.3 and 34178.8).

"**CRL**" has the meaning set forth in Recital A.

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

"**ENA**" has the meaning set forth in Recital M.

"**Environmental Activity**" means any actual, proposed or threatened presence, spilling, leaking, pumping, pouring, emitting, discharging, leaching, storage, releasing, generation, abatement, removal, treatment, disposal, handling or transportation of any Hazardous Substance at, under, into, on or from the Site.

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

(Cal. Health & Safety Code §§ 25300 *et seq*.); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq*.); and Sections 25117 and 25140 of the California Health & Safety Code each as has been and hereafter may be amended.

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

"**Expenditure Request**" means a written request by Borrower for a Disbursement from the Funding Amount, as further described in Section 4.5.

"**Funding Amount**" has the meaning set forth in Section 2.1.

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

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

"**Hazardous Substance(s)**" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed under Proposition 65 or otherwise as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, and includes, by way of example, as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity ordinarily used in the construction, operation or maintenance of activities similar to the Predevelopment Work will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

"**HCD**" means the California Department of Housing and Community Development.

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

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

"**Loan**" has the meaning given in Recital N hereof.

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

“**Loan Committee**” has the meaning set forth in Recital K.

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

"**Maturity Date**" has the meaning set forth in Section 3.2.

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

"**MOHCD**" has the meaning set forth in Recital P.

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

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

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

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

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

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

“**Predevelopment Activities**” is defined in Section 2.1 and Exhibit B-1.

"**Project**" means the development described in Recital H.

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

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

"**Site**" is defined in Recital H.

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

"**Tenant**" means any residential household in the Project.

"**Unit**" means a residential rental unit within the Project.

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

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

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

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

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

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

ARTICLE 2 FUNDING.

2.1 Funding Amount. OCII agrees to provide the Loan to Borrower in the maximum principal amount of Five Million and No/100 Dollars ($5,000,000.00) (the "**Funding Amount**") to finance predevelopment costs associated with the Project as further described in Exhibit B-1 ("**Predevelopment Activities**"). The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower shall use the Funding Amount solely to finance Predevelopment Activities in accordance with the approved Table of Sources and Uses and all other applicable provisions of this Agreement. Borrower acknowledges that OCII's agreement to make the Loan is based in part on Borrower's agreement to the foregoing limitation on use of Loan funds.

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

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

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

ARTICLE 3 TERMS.

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

3.2 Maturity Date. Except as otherwise provided in Section 3.3, Borrower must repay all amounts owing under the OCII Documents on the date that is the earliest to occur of: (i) the close of construction financing for the Project, or (ii) the date the Borrower and OCII execute a Construction/Permanent Loan (defined in Section 3.3) that does not incorporate the Funding Amount, or (iii) three (3) years from the Agreement Date (or, if the ENA is extended for one year per the terms of the ENA, four (4) years from the Agreement Date) (the "**Maturity Date**"). Notwithstanding the foregoing, if Borrower's failure to close the construction financing by the Maturity Date is not caused by Borrower's acts or omissions, whether direct or indirect, and if Borrower has acted in good faith and no event has occurred and is continuing that constitutes or with the passage of time would constitute, an Event of Default under any of the OCII Documents, then in such an event, Borrower shall deliver to OCII all of the Work Product, the Note shall be deemed satisfied in full and Borrower shall be deemed to be released from all obligation or liability with respect to this Agreement and the Loan.

3.3 Construction/Permanent Loan. If (i) additional financing for the Project from OCII in the form of a construction and permanent loan is subsequently approved by the Commission (the "**Construction/Permanent Loan**"), (ii) forms of Construction/Permanent Loan documents are executed by OCII and the Borrower, and (iii) all or any portion of the Construction/Permanent Loan is funded; then (a) this Agreement shall be terminated; (b) the Note shall be cancelled, and (c) the outstanding balance of this Loan, including all accrued interest, shall be combined with the Construction/Permanent Loan for purposes of repayment and thereafter shall bear interest and be repaid in accordance with the terms of the Construction/Permanent Loan documents.

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

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

3.6 Repayment of Principal and Interest. Subject to Section 3.2 above, the outstanding principal balance of the Loan will be due and payable on the Maturity Date according to the terms set forth in full in the Note.

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

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

ARTICLE 4 LOAN CLOSING; DISBURSEMENTS.

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

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

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

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

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

(c) Borrower must have delivered to OCII evidence of all insurance policies and endorsements required under Exhibit F of this Agreement, and, if requested by OCII, copies of such policies.

4.4 Eligible Expenses; First Date of. Predevelopment expenses that are incurred by Borrower on or after October 9, 2025 and that are consistent with Exhibit B-1 and all other applicable terms and conditions of this Agreement are reimbursable to Borrower.

4.5 Disbursements. OCII's obligation to approve any disbursement of Funding Amount after Loan Closing is subject to Borrower's satisfaction of the following conditions precedent:

(a) Borrower must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Borrower to reallocate the Funding Amount between the line items or to change the budget limits for a line item from what is shown in the Table of Sources and Uses must be approved as follows: (1) except for funds moved from the contingency line item to another line item, a requested reallocation of the Funding Amount in an amount up to ten percent (10%) of the Funding Amount in the aggregate may be made only with the express written approval of OCII's Housing Manager; and (2) except for funds moved from the contingency line item to another line item, a requested reallocation of the Funding Amount in an amount that exceed ten percent (10%) of the Funding Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of the Funding Amount from contingency line items to other line items shall not require the consent of OCII.

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

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

4.6 Schedule of Performance. Borrower must perform in accordance with the Schedule of Performance (Exhibit L) and contractual deadlines specified therein. The Schedule of Performance may be modified, upon written request of Borrower, at the sole and reasonable discretion of the OCII Executive Director, who may extend the time of performance for up to six (6) months from the contractual date set forth in the Schedule of Performance. Such extension shall be evidenced by a written amendment thereto. Any amendments to the Schedule of Performance allowing for extensions of performance beyond said six (6) month period will require approval of the Commission in its sole discretion. Notwithstanding the foregoing, in the event the Borrower applies for CDLAC and/or TCAC financing in accordance with the contractual deadlines provided in the Schedule of Performance, but is not awarded financing by CDLAC and/or TCAC, the OCII Executive Director, in his sole and reasonable discretion, may extend the contractual deadlines applicable to items in the Schedule of Performance to allow Borrower to reapply for up to two additional consecutive cycles of CDLAC/TCAC financing immediately following the cycle initially applied for, and Borrower and OCII shall reasonably extend remaining Schedule of Performance contractual deadlines accordingly.

4.7 Additional Terms and Conditions. During the predevelopment period and as described below, Borrower shall comply with the following additional terms and conditions based on OCII's requirements, and/or the Loan Committee's recommendations in reviewing and approving the Project's Loan Evaluation on March 6, 2026.

(a) During Predevelopment:

1. Borrower must study the costs and benefits of a full or partial underground parking level and collaborate with OCII to assess physical feasibility and identify creative financing strategies for underground parking on the Site.
2. Borrower must collaborate with OCII to evaluate the proposed sizing of the commercial space and consider flexibility of use and Project cost in determining the optimal size for the space.
3. Borrower will work with property management and services staff, as well as OCII housing and design staff, to refine the programming and design of amenity and services spaces.
4. Borrower must evaluate and refine the operating budget to account for the large project size and resident population.
5. Borrower must conduct a comparative analysis of service delivery models used in other large-scale affordable housing developments prior to gap loan approval. The analysis should identify base practices for staffing, case management, and resident engagement, and demonstrate how these practices will be incorporated into the Project's services plan.
6. Borrower must provide and refine operating and development budgets that meet OCII/MOHCD Underwriting Guidelines and Commercial Space Underwriting Guidelines.
7. Borrower must work with MOHCD and the Department of Homelessness and Supportive Housing ("HSH") to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
8. Prior to submitting any funding applications, Borrower must evaluate the impact of the potential removal of Permanent Supportive Housing ("PSH") units on competitive scoring.
9. In the event PSH units are removed, Borrower must provide a revised services plan and staffing budget that demonstrates operational sustainability and confirm whether Episcopal Community Services will remain a service provider.
10. Borrower will issue an RFP/RFQ for an owner's representative and other consultants and professional services in accordance with OCII's Contract Compliance and SBE program specifications, and will submit bids and draft contracts for OCII staff review and approval prior to selecting or entering into a contract with an owner's representative or other consultants and professional services.

11. Borrower will issue an RFP/RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Furthermore, Borrower will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to explore joint ventures or similar partnership opportunities with SBEs.
12. Borrower must ensure that consultant and professional services budgets are in conformance with OCII/MOHCD Underwriting Guidelines.
13. Borrower must work with OCII staff to maintain a unit mix as stated in the RFP of 25% one-bedroom units, 50% two-bedroom units, and 25% three-bedroom units to serve the needs of COP Holders. Borrower must also evaluate the feasibility of including four- and five-bedroom units.
14. Borrower will develop design scenarios that balance unit mix, unit sizes, and financial sources including OCII subsidy, all subject to OCII review and approval.
15. In collaboration with OCII, Borrower, as lead, must engage and assess COP Holders needs regarding AMI levels, program needs, program desires, and provide an analysis to OCII in addition to proposed income tiering and program elements/design features that aim to address COP Holders expressed statements throughout predevelopment.
16. Borrower must monitor and report on construction hard costs during the predevelopment period. Borrower will identify and recommend opportunities for value engineering, subject to OCII review.
17. Borrower must provide OCII with detailed monthly updates via the OCII Monthly Project Update, including on: a) community outreach completed; b) outcomes achieved related to racial equity goals; and c) commercial use programming.
18. Borrower must provide quarterly updated response(s) to any letters requesting corrective action to OCII.
19. Borrower will provide a commercial financing plan for OCII review and approval.

(b) Prior to Gap Loan Closing

1. Borrower must pursue alternative financing sources if directed by and in coordination with OCII to determine the most appropriate financial plan with the goal of adding alternative permanent subsidy sources and minimizing OCII subsidy. As part of the permanent financing plan, Borrower must confirm whether Mercy will season the GP equity contribution. If Mercy is unable to season the required equity, Borrower must revise the financing plan, including reassessment of the deferred developer fee or other equity

components, to ensure compliance with underwriting requirements and overall project feasibility.

2. Borrower will seek to maximize permanent debt and minimize OCII subsidy, while prioritizing inclusion of income tiering, as agreed upon with OCII and ensuring an adequate debt service coverage ratio consistent with OCII/MOHCD Underwriting Guidelines. As part of this analysis, Borrower must evaluate whether the construction loan term is sufficient given the extended lease-up period anticipated for a 300-unit high-rise, and propose adjustments if a longer term is required.
3. Borrower must provide OCII and HSH with a services plan and proposed staffing levels that meet OCII/MOHCD underwriting standards and HSH staffing guidelines. Any changes to the current proposed staffing will need to be presented to OCII at least 90 days prior to gap loan approval.
4. Borrower must provide OCII with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of OCII gap loans.
5. Borrower must provide an updated Commercial Space Plan to OCII no less than 90 days prior to Loan Committee date for gap loan.
6. Borrower must: a) provide for OCII review of the RFP for equity investors and lenders before it is finalized and distributed; b) provide for OCII review of all raw financial data from developer or financial consultant prior to selection; c) provide for OCII review and approval of all selected investors and lenders; and, d) provide for OCII review and approval of all Letters of Intent from financial partners.
7. Borrower must provide any true debt analysis related to the interest rate for the OCII loan.
8. Borrower must collaborate with OCII, and HSH where appropriate, and conduct community outreach to solicit input, address concerns, and educate community members on various aspects of the Project and to solicit input regarding potential uses for the community-serving commercial space.

(c) During Construction

1. Borrower must submit a draft early outreach plan within the first three months of construction commencement of the Project.
2. Borrower will provide bank construction budget with pay application for approval to OCII when Borrower starts drawing from the construction loan.
3. Borrower will make good faith efforts to secure a commercial tenant at or before 50% construction completion and provide a signed LOI.
4. Borrower must provide an initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders,

displaced tenants, and neighborhood residents, as well as how the marketing promotes positive outcomes for African American San Franciscans.

5. Borrower, in coordination with OCII, must submit an updated 1st year operating budget and 20-year cash flow projection, if any changes have occurred, by November 1st before the year the project will achieve TCO so that OCII and MOHCD may request the LOSP subsidy. Any assumptions on tenant-paid rent for LOSP-supported units, and income restrictions for the referrals from the Coordinated Entry System must be submitted for review to HSH and adjusted according to HSH's direction. All submissions will be subject to further refinement in coordination with OCII and HSH.

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

ARTICLE 5 INTENTIONALLY OMITTED

ARTICLE 6 INTENTIONALLY OMITTED

ARTICLE 7 INTENTIONALLY OMITTED

ARTICLE 8 INTENTIONALLY OMITTED

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

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

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

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

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all the Funding Amount. Borrower must maintain records in accordance with OCII requirements with respect to all matters covered by this Agreement, including all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance. Except as otherwise authorized by OCII, such records shall be maintained for a period of four years from the date of the termination of the Agreement; except that records that are the subject of audit findings shall be retained for four years or until such audit findings have been resolved, whichever is later.

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

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

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

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

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

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

10.5 Access to Other Project Books and Records. In addition to Borrower's obligations under Sections 2.4, 10.1, 10.2, 10.3, and 10.4, any other obligations to provide reports or maintain records in any OCII Document, Borrower agrees that duly authorized representatives of OCII (which shall include MOHCD staff) will have access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under Section 10.6.

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

ARTICLE 11 INTENTIONALLY OMITTED.

ARTICLE 12 INTENTIONALLY OMITTED.

ARTICLE 13 INTENTIONALLY OMITTED.

ARTICLE 14 INTENTIONALLY OMITTED.

ARTICLE 15 DEVELOPER FEE.

15.1 Amount. A portion of the Funding Amount in the amount of up to Six Hundred Sixty Thousand and No/100 Dollars ($660,000.00) shall be available to Borrower as a developer fee for the predevelopment period ("**Cash Developer Fee**"), payable in accordance with the Developer Fee Schedule attached hereto as Exhibit N. If approved by Loan Committee and the Commission, this Cash Developer Fee will be increased to an aggregate amount not to exceed Six Million Four Hundred Twenty-Five Thousand and No/100 Dollars ($6,425,000.00) (net of the anticipated deferred developer fee or general partner equity contribution portion of the total developer fee) at the time of the execution of a permanent loan (including a Construction/Permanent Loan) agreement for the Project to be consistent with MOHCD policy and to maximize leveraged sources for the Project. The parties acknowledge that the fee amounts may be updated in connection with any gap financing provided by OCII.

ARTICLE 16 TRANSFERS.

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

ARTICLE 17 INSURANCE AND BONDS.

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

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Borrower covenants that it has obtained or will obtain in a timely manner, and thereafter comply with, all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to Section 23.1, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 19 DEFAULT.

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

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

(b) Borrower fails to perform or observe any other term, covenant or agreement contained in any OCII Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from OCII to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by OCII, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

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

(d) Borrower is in default of its obligations with respect to the Ground Lease, once executed, or any funding obligation for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(e) Borrower ceases to be in good standing and duly qualified under applicable Laws for any period of more than ten (10) days; or

(f) Borrower ceases to exist in its present form (unless otherwise permitted or approved pursuant to Article 16); or

(g) Borrower assigns or attempts to assign any rights or interest under any OCII Document, whether voluntarily or involuntarily, except as permitted under Section 16.1; or

(h) Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower except as permitted under Article 16; or

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

(j) intentionally omitted

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

(l) Any adverse change occurs in the financial condition or operations of Borrower, that materially affects on the Borrower's ability to complete the Project; or

(m) intentionally omitted

(n) intentionally omitted

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

(p) Borrower is in default of its obligations under any other agreement entered into with OCII or the City, including but not limited to the ENA, and the default remains uncured following the expiration of any applicable cure periods. For the avoidance of doubt, the expiration of the ENA shall not act to relieve Borrower of its obligations under this Agreement unless expressly provided.

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

During the pendency of an uncured Event of Default, OCII may exercise, in its sole discretion, any right or remedy available under this Agreement or any other OCII Document or at law or in equity. All of OCII's rights and remedies following an Event of Default are cumulative, including the following:

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

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

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

(d) OCII may terminate this Agreement.

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

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

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

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

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

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

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

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

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

ARTICLE 21 NOTICES.

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

To OCII:	Office of Community Investment and Infrastructure Successor Agency to the San Francisco Redevelopment Agency 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Executive Director Email: Thor.Kaslofsky@sfgov.org
To OCII General Counsel:	Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Agency General Counsel Email: James.Morales@sfgov.org
To MOHCD:	Mayor's Office of Housing and Community Development 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Director Email: Daniel.Adams@sfgov.org
To Borrower:	Transbay Block 4 West, LP c/o Mercy Housing California 1256 Market Street San Francisco, CA 94102 Attn: Joe Rosenblum, General Counsel Email: jrosenblum@mercyhousing.org and Young Community Developers 1715 Yosemite Avenue San Francisco, CA 94124 Attn: _______________ Email: ______________

with a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Ste. 1110
San Francisco, CA 94104
Attn: Evan Gross
Email: egross@gubbandbarshay.com

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section. For the convenience of the parties, copies of notices may also be given by email.

ARTICLE 22 HAZARDOUS SUBSTANCES.

22.1 Intentionally omitted.

22.2 Covenant. Unless OCII otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) in connection with Borrower's activities on the Site during the predevelopment phase of the Project, comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to OCII, promptly following the occurrence of any such event, notice of the discovery by Borrower of any event violating the covenants established in subsection (a), above.

ARTICLE 23 INDEMNITY.

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

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

ARTICLE 24 GENERAL PROVISIONS.

24.1 Intentionally Omitted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24.16 Binding Covenants. Following the recordation of the Memorandum of Ground Lease, the provisions of the OCII Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Site, except that the same will terminate and become void automatically at the expiration of the term of this Agreement. Any attempt to transfer any right, title or interest in the Site in violation of these covenants will be void.

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

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

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

24.20 Borrower's Board of Directors. Borrower or its managing general partner shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in its bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Said board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

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

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

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

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

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

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

EXHIBITS

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

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

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

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

By: ____________________________
Name: Thurston Kaslofsky
Title: Executive Director

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

By: ____________________________

BORROWER:
Transbay Block 4 West, LP,
a California limited partnership

By: Transbay Block 4 West, LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

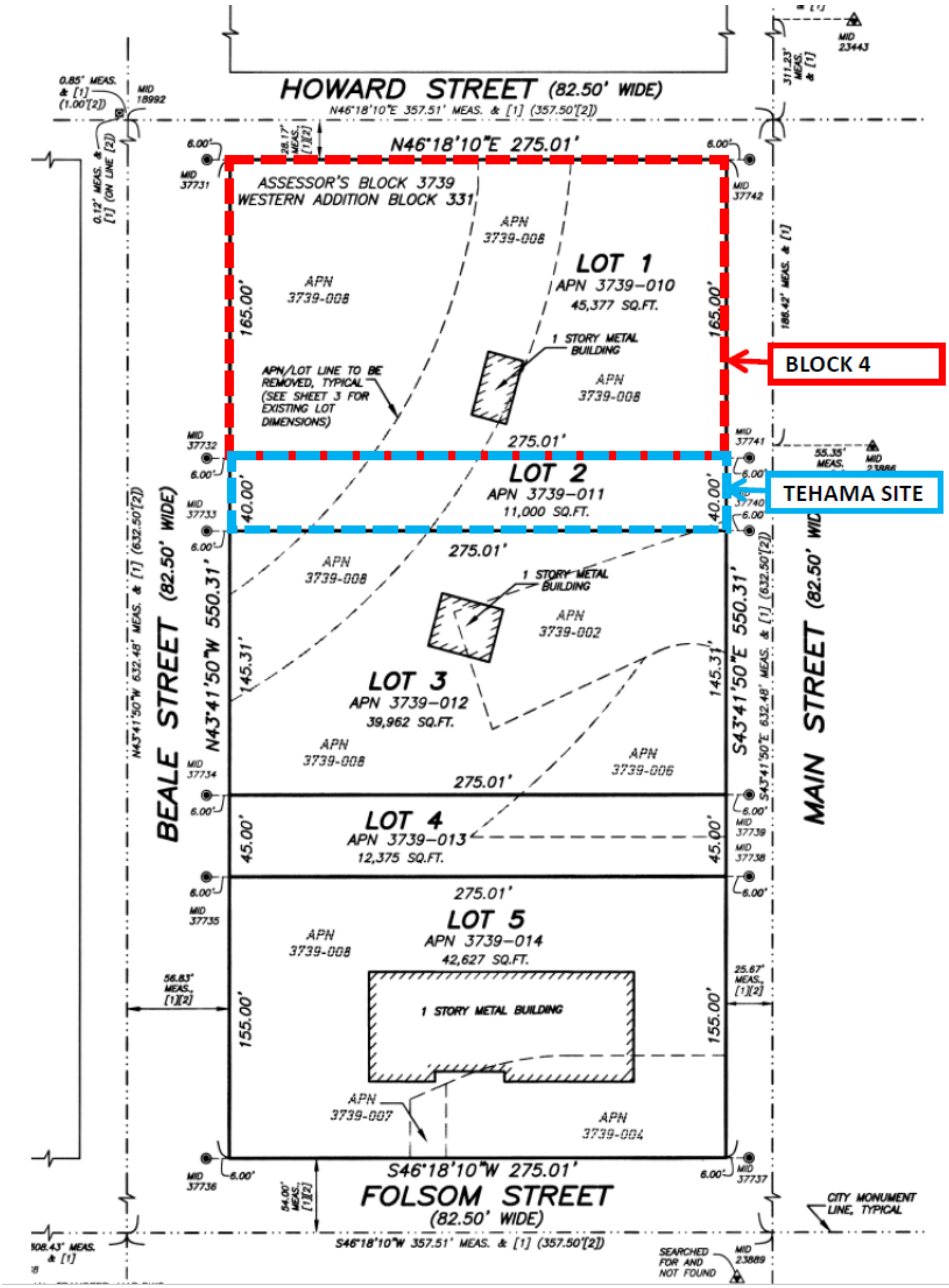
By: ______________________
Name: Ramie Dare
Title: Vice President

By: Young Community Developers,
a California nonprofit public benefit corporation,
its co-general partner

By: ________________________
Name:
Title:

EXHIBIT A
Site Description

The Site, composed of the land within Transbay Block 4 is depicted in the drawing below.



<u>EXHIBIT B-1</u>

<u>Table of Sources and Uses of Funds</u>

Application Date:	2/2/26	**# Units:**	**314**
Project Name:	Transbay Block 4 West	***# Bedrooms:***	
Project Address:		**# Beds:**	
Project Sponsor:	Mercy Housing California and Young Community Developers		

LOSP Project

	Source 1	Source 2	Source 3	Source 4	Source 5	Source 6	Total Sources	Comments	
SOURCES	**5,000,000**	-	-	-	-	-	**5,000,000**		
Name of Sources:	MOHCD/OCII								
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	1,500,000						1,500,000	MEPF deposits, MEPF preliminary design, precon management, switchgear deposit.	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		Construction line item costs as a % of hard costs
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	75,000						75,000		**4.6%**
GC Overhead & Profit	50,000						50,000		**3.1%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*1,625,000*	*0*	*0*	*0*	*0*	*0*	*1,625,000*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**1,625,000**	**0**	**0**	**0**	**0**	**0**	**1,625,000**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,000,000						1,000,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	500,000						500,000		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*1,500,000*	*0*	*0*	*0*	*0*	*0*	*1,500,000*		
Other Third Party design consultants (not included under Architect contract)	250,000						250,000	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**1,750,000**	**0**	**0**	**0**	**0**	**0**	**1,750,000**		
Engineering & Environmental Studies									
Survey	15,000						15,000		
Geotechnical studies	200,000						200,000		
Phase I & II Reports	40,000						40,000		
CEQA / Environmental Review consultants	50,000						50,000		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants	15,000						15,000	Archaeology	
Total Engineering & Environmental Studies	**320,000**	**0**	**0**	**0**	**0**	**0**	**320,000**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Legal Costs									
Borrower Legal fees	50,000						50,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**50,000**	**0**	**0**	**0**	**0**	**0**	**50,000**		
Other Development Costs									
Appraisal	10,000						10,000		
Market Study	15,000						15,000		
* Insurance							0		
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs							0		
Entitlement / Permit Fees	100,000						100,000		
* Marketing / Rent-up							0		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	100,000						100,000		
TCAC App / Alloc / Monitor Fees							0		
* Financial Consultant fees	50,000						50,000		
Construction Management fees / Owner's Rep	60,000						60,000		
Security during Construction							0		
* Relocation							0		
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**335,000**	**0**	**0**	**0**	**0**	**0**	**335,000**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	260,000	0	0	0	0	0	260,000	Should be either 10% or 5% of total soft costs.	**10.6%**
TOTAL SOFT COSTS	**2,715,000**	**0**	**0**	**0**	**0**	**0**	**2,715,000**		
RESERVES									
* Operating Reserves							0		
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	660,000						660,000		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**660,000**	**0**	**0**	**0**	**0**	**0**	**660,000**		
TOTAL DEVELOPMENT COST	**5,000,000**	**0**	**0**	**0**	**0**	**0**	**5,000,000**		
Development Cost/Unit by Source	15,924	0	0	0	0	0	15,924		
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	5,175	0	0	0	0	0	5,175		
Construction Cost (inc Const Contingency)/SF	6.19	0.00	0.00	0.00	0.00	0.00	6.19		

**Possible non-eligible GO Bond/COP Amount:*	*1,550,000*
City Subsidy/Unit	15,924
Tax Credit Equity Pricing:	N/A
Construction Bond Amount:	N/A
Construction Loan Term (in months):	N/A
Construction Loan Interest Rate (as %):	N/A

EXHIBIT B-2

Intentionally Omitted

EXHIBIT B-3

Intentionally Omitted

EXHIBIT C

Intentionally Omitted.

EXHIBIT D

Intentionally Omitted.

EXHIBIT E

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

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015, July 7, 2015, as amended by Resolution No. 7-2022);

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

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

(iv) Health Care Accountability Policy (adopted by Resolution No. 168-2001, as amended by Resolution No. 34-2009); and

(v) Minimum Compensation Policy (adopted by Resolution No. 168-2001, as amended by Resolution No. 34-2009).

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

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

3. Conflict of Interest.

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

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

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

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

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq*.) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 36100 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

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

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

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

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

8. Public Disclosure.

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

9. Limitations on Contributions. Through execution of this Agreement, Borrower acknowledges that it is familiar with section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the Agency for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by such individual, the board on which that individual serves, or a state agency on whose board an appointee of that individual serves, (2) a candidate for the office held by such an individual, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the contract is approved. Borrower acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $100,000 or more. Borrower further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Borrower's board of directors; Borrower's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower. Additionally, Borrower acknowledges that Borrower must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

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

EXHIBIT F

Insurance Requirements

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

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

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

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

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Before the start of demolition/construction if the Site is unoccupied, Borrower and Borrower's Contractors will maintain coverage of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence and Four Million Dollars ($4,000,000)

annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Borrower should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Borrower and construction contractors during the construction period.

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

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

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

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

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

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

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

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

F. General Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT G

Lobbying/Debarment Certification Form

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

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

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

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

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

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

Transbay Block 4 West, LP,
a California limited partnership

By: Transbay Block 4 West, LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: ________________________
Name: Ramie Dare
Title: Vice President

By: Young Community Developers,
a California nonprofit public benefit corporation,
its co-general partner

By: ________________________
Name:
Title:

EXHIBIT H

Intentionally Omitted.

EXHIBIT I
Intentionally Omitted

EXHIBIT J

Intentionally Omitted

EXHIBIT K

Intentionally Omitted

EXHIBIT L

Schedule of Performance

No.	Performance Milestones	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	N/A
1.	**Acquisition/Predev. Financing Commitment (OCII Commission)**		(this request)
2.	**Site Acquisition**	N/A	N/A
3.	**Development Team Selection**		
a.	Associate Architect & Design Consultants	5/15/2026	
b.	General Contractor	5/15/2026	
c.	Owner's Representative	4/15/2026	
d.	Property Manager (Mercy)	Complete	Complete
e.	Service Provider (Mercy & ECS)	Complete	Complete
4.	**Design**		
a.	Submittal of Basic Concept (unit count and general massing) – no specs, consultants	6/1/2026	
b.	Submittal of 50% Schematic Design	9/1/2026	
c.	Submittal of 100% Schematic Design & Cost Estimate	12/1/2026	
d	Schematic Design OCII Commission Approval	2/1/2027	
e.	Submittal of Design Development & Cost Estimate	6/1/2027	
f.	Submittal of 50% CD Set & Cost Estimate	11/1/2027	
g.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	2/1/2028	
5.	**Environmental Review/Land-Use Entitlements/Subdivision Mapping**		
a.	Phase I Study	5/15/2026	
b.	Phase II Study	TBD	
c.	CEQA Exemption (OCII Commission)	4/1/2027	
d.	Geotechnical Investigations completed	12/1/2026	
e.	Maher Ordinance Compliance completed	6/1/2027	
f.	Shadow/Wind Analysis	10/1/2026	
g.	D4D Amendment	12/15/2026	
h.	Redevelopment Plan Amendments OCII Commission	4/1/2027	
i.	Tentative Parcel Map Application to SFPW (lot split)	12/1/2026	

j.	Final Parcel Map Application to SFDPW	12/1/2026	
6.	**Permits**		
a.	Building / Site Permit Application Submitted	5/1/2027	
b.	Addendum #1 Submitted	11/1/2027	
c.	Addendum #2 Submitted	11/1/2027	
7.	**Request for Bids Issued**	4/1/2028	
8.	**City Financing**		
a.	Predevelopment Financing Committed (OCII Commission)	4/7/2026	
b.	Gap Financing Application	2/1/2027	
c.	Gap Financing Committed (OCII Commission)	12/1/2027	
9.	**Other Financing**		
a.	AHSC Application	5/2027	
b.	CDLAC Allocation	2/2028	
c.	Construction Financing/Tax Credit Investor RFP	2/2028	
d.	AHP Application	2/2028	
e.	AHP Committed		
10.	**Closing**		
a.	Construction Closing	10/1/2028	
b.	Permanent Financing Closing	12/1/2032	
11.	**Construction**		
a.	Notice to Proceed	10/1/2028	
b.	Temporary Certificate of Occupancy/Cert. of Substantial Completion	12/1/2030	
c.	CFCO/Certificate of Final Completion and Occupancy	3/1/2031	
12.	**Marketing/Rent-up**		
a.	OCII Early Outreach Plan Submission	12/2028	
b.	Marketing Plan Submission	6/1/2030	
c.	Commence Marketing	9/1/2030	
d.	100% Occupancy	12/31/2031	
13.	Cost Certification/8609	9/1/2032	
14.	**Close Out OCII Loan**	9/1/2032	

EXHIBIT M

OCII Monthly Project Update Form

OCII MONTHLY PROJECT UPDATE FORM

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

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

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

Project Summary Information

Project:	
Sponsor:	
# Units:	
Target Population:	

1. Monthly Update

Month Covered:	Date of Report:
Completed by:	
Estimated Construction Start Date (if changed from previous update, please explain):	
Estimated Total Development Cost (if changed from previous update, please explain):	
Project's OCII gap commitment (excluding OCII funding committed to date): Expected date when OCII gap funding needed: Month: Year:	
Procurement and bidding (architect, consultants and contractors):	
Entitlements, permits and utilities (Planning /dept., DBI, SFFD, SFPW, SFWD/SFPUC, MOD, PG&E and RED)	
Any changes in the scope, cost, schedule or financing plan? (Attach updated budget and/or schedule, if any, that have occurred since prior month.)	
Significant milestones reached during the past month, and any planned to be reached during the coming month. Also include any projected milestones not reached during the last month and the	

reasons why. (Depending on the phase of the project, please cover efforts to obtain additional financing, relocation, planning, service planning, marketing and rent-up, etc., as applicable for the project.)
FOR OCII STAFF ONLY
Major issues, delays, etc.:
Items for discussion with Director:

EXHIBIT N

Developer Fee Schedule

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt. Fee**	**Amount**
At close of preconstruction financing	15%	$330,000
Predevelopment – approval of entitlements	15%	$330,000
Total Fee*	**100%**	**$660,000**

**Future predevelopment and developer fee milestones to be determined. Commercial developer fee milestones to be determined. Predevelopment milestones subject to change pending funding applications. Developer fee milestones subject to change pending finalization of updated MOHCD developer fee policy.*

The parties acknowledge that the fee and potential equity amounts may be updated in connection with any gap financing provided by OCII.

EXHIBIT O
ASSIGNMENT OF WORK PRODUCT

Assignment of Architects and Engineers Agreement Plans and Specifications

FOR VALUE RECEIVED, **Transbay Block 4 West, LP**, a California limited partnership ("Borrower") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (commonly known as the Office of Community Investment and Infrastructure) ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Kennerly Architecture & Planning/SCB and any other contracts entered into between Borrower and any licensed design profession or engineer ("Architect" or "Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architects and Engineers for the account of Borrower in connection with the development of approximately 314 units of affordable rental housing at Transbay Block 4 West. The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amount of $5,000,000.00.

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

Borrower hereby irrevocably constitutes and appoints Agency as its attorney-in-fact to demand, receive, and enforce Borrower's rights with respect to the Agreement and the Plans, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Agency with the same force and effect as Borrower could do if this Assignment had not been made.

Borrower hereby represents and warrants to Agency that no previous assignment of its interest in the Agreement and the Plans has been made, and Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Agreement and the Plans so long as this Assignment is in effect.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Borrower and Agency.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed on ____________, 2026.

BORROWER:

By: ______________________________

<u>EXHIBIT P</u>
<u>CONSENT TO ASSIGNMENT OF WORK PRODUCT</u>
<u>Consent to Assignment</u>

FOR VALUE RECEIVED, **Transbay Block 4 West, LP**, a California limited partnership, ("Borrower") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (commonly known as the Office of Community Investment and Infrastructure) ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Kennerly Architecture & Planning/SCB ("Architect") and any other contracts entered into between Borrower and any licensed design professional or engineer ("Architect" or Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architect(s), Engineer(s) and others for the account of Borrower in connection with the development of approximately 314 units of affordable rental housing at Transbay Block 4 West. The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amounts of $5,000,000.00.

The undersigned has prepared the Plans, hereby consents to the above Assignment hereby waives his/her lien rights, if any, for services rendered to date with respect to the Plans. The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Agreement or any other agreement entered into with the undersigned in connection with the Plans, that so long as Borrower's interest in the Plans is assigned to Agency, it will give written notice to Agency of such breach. Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require the Agency to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Borrower under any of the documents or instruments entered into in connection with said Note, the undersigned, at Agency's request, shall continue performance under the Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Agreement for all services rendered on Agency's behalf including all services rendered on Borrower's behalf.

Dated: ________________, 2026

ARCHITECT:

Kennerly Architecture & Planning/SCB

By: ______________________________

Name: ____________________________

Title: _____________________________

(*signatures continue on following page*)

ENGINEER:

By: ______________________________

Name: ____________________________

Title: ____________________________

EXHIBIT Q

Promissory Note

PROMISSORY NOTE

Principal Amount: $5,000,000 San Francisco, CA

Date: April 7, 2026

FOR VALUE RECEIVED, the undersigned, **Transbay Block 4 West, LP**, a California limited partnership ("Maker"), hereby promises to pay to the order of the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCII", including any successors or assigns), or holder (as the case may be, "Holder"), the principal sum of Five Million and No/100 Dollars ($5,000,000.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of a Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the OCII Documents. If a Construction/Permanent Loan for the Project from OCII is subsequently approved by the Commission, the parties acknowledge that the Borrower may request and OCII may approve a reduced interest rate in order to maintain Project feasibility.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date on which Maker receives written notice from Holder of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the OCII Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any OCII Document.

4. Repayment of Funding Amount. Maker must repay all amounts owing under the OCII Documents in accordance with and subject to Section 3 and Section 3.2 of the Agreement. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the Maturity Date, as such term is defined in the Agreement. Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

If this Note becomes due and payable, and provided no Event of Default under any of the OCII Documents is then continuing or conditions existing that if not corrected in accordance with the notice and cure provisions of the Agreement may result in an Event of Default, the Maker may satisfy this Note in full by either (i) making payment in full; or (ii) delivering to the Holder all of the following: (x) the Work Product, as such term is defined in the Agreement, (y) an absolute and unconditional assignment to the Holder of all of Maker's right, title and interest in and to said Work Product (which assignment shall be in the substantial form of the Assignment of Work Product attached as Exhibit O to the Agreement); and (z) the written consent to such assignment of any architect, engineer or other person or firm that has any right, title or interest in or to the Work Product (which consent shall be in the substantial form of the Consent to Assignment of Work Product attached as Exhibit P to the Agreement).

5. Security. Maker's obligations under this Note are secured by, the pledge of Work Product given in the Assignment of Work Product and the Loan is non-recourse to such Maker, its partner and their members.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, or exercise of Holder's rights under the

Assignment of Work Product, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the OCII Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover from Maker sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

6.6 This Note may be prepaid in whole or in part at any time, and from time to time, without penalty provided that notice is given to Holder no later than ninety (90) days prior to prepayment.

7. <u>Default</u>.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Loan subject to all applicable notice and cure rights.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the OCII Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. <u>Waivers</u>.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

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

"MAKER"

Transbay Block 4 West, LP,
a California limited partnership

By: Transbay Block 4 West, LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: ________________________
Name: Ramie Dare
Title: Vice President

By: Young Community Developers,
a California nonprofit public benefit corporation,
its co-general partner

By: ________________________
Name:
Title:

INFRASTRUCTURE DEVELOPMENT AGREEMENT

By and Between

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

and

Transbay 4 Tehama LLC, a California Limited Liability Company
for

East Tehama Street Segment
$1,000,000

Dated as of July 1, 2026

TABLE OF CONTENTS

EXHIBITS

Infrastructure Development Agreement
(APN 3739-011/East Tehama Street)

This INFRASTRUCTURE DEVELOPMENT AGREEMENT (referred to herein as "**Agreement**" or "**Infrastructure Development Agreement**") by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body organized and existing under the laws of the State of California (also known as the Office of Community Investment and Infrastructure ("**OCII**")), and Transbay 4 Tehama LLC, a California limited liability company (the "**Site Developer**") is entered into as of the date of last signature in the signature block below and will become effective as of July 1, 2026 ("**Effective Date**").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the "**CRL**"), the Redevelopment Agency of the City and County of San Francisco (the "**Former Agency**") undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted the development project area known as the Transbay Redevelopment Project Area (the "**Project Area**");

B. In accordance with the CRL, the Board of Supervisors ("**Board of Supervisors**") of the City and County of San Francisco ("**City**") approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05, adopted on June 21, 2005, and by Ordinance No. 99-06, adopted on May 9, 2006 (and as currently amended, the "**Transbay Redevelopment Plan**"). The Transbay Redevelopment Plan requires that at least 35% of all new housing in the Project Area be permanently affordable.

C. In 2003, the Transbay Joint Powers Authority ("**TJPA**"), the City, and the State of California, acting by and through its Department of Transportation ("**Caltrans**"), entered into a Cooperative Agreement, which set forth the process for the transfer of certain state-owned parcels to the City and the TJPA. In 2005, the TJPA and the Former Agency entered into an agreement which required the Former Agency to prepare and sell the formerly State-Owned Parcels and to implement the Transbay Redevelopment Plan, including, among other things, the funding and construction of new infrastructure improvements and the construction of affordable housing ("**Implementation Agreement**").

D. In 2006, in furtherance of the Transbay Redevelopment Plan and the Transbay Redevelopment Project Area Design for Development, the Former Agency and the San Francisco Planning Department, in collaboration with other City agencies and the TJPA, commissioned production of the 2006 Transbay Streetscape and Open Space Concept Plan ("**Streetscape and Open Space Plan**"). On November 21, 2006, the Former Agency Commission approved, by Resolution No. 153-06, the Streetscape and Open Space Plan. The Streetscape and Open Space Plan includes design guidelines related to the ten major streets and six public alleyways within the Project Area, as well as neighborhood parks and areas below bus and freeway ramps. The Streetscape and Open Space Plan envisioned a new park on the Block 3 parcel, new segments of

Clementina and Tehama Streets bordering Block 3, pedestrian improvements, and other streetscape improvements to enhance and complete the vision for the Project Area.

E. Pursuant to California Health and Safety Code §§ 34170 et seq. (the "**Redevelopment Dissolution Law**") and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission (as more particularly defined below, the "**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), OCII is responsible for administering the enforceable obligations of the Former Agency. The Implementation Agreement, Transbay Redevelopment Plan, and other related Project Area documents remain in effect, and OCII retains all affordable housing obligations in the Project Area.

F. Redevelopment Dissolution Law authorizes successor agencies to enter into new agreements if they are "in compliance with a continuing enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5(a). On April 15, 2013, the California Department of Finance ("**DOF**") finally and conclusively determined that the Implementation Agreement and its incorporation of the Transbay Affordable Housing Obligation are continuing enforceable obligations of OCII under Redevelopment Dissolution Law. DOF has confirmed that "any sale, transfer, or conveyance of property related to [the Transbay Final and Conclusive Determination] is authorized." Email from Justyn Howard, Assistant Program Budget Manager, DOF, to Tiffany Bohee, Executive Director, OCII (September 10, 2013, 09:17 am).

G. In January 2021, OCII took fee ownership of certain parcels within the Project Area from the TJPA, including Transbay Block 4 and the future East Tehama Street extension parcel.

H. On May 8, 2025, OCII issued a Housing Development Request for Proposals (the "**RFP**") to develop, own, and operate mixed-use affordable rental housing units, including units set-aside for households experiencing homelessness at Transbay Block 4 West on a portion of the parcel identified as Lot 1 on Tentative Transfer Map No. 10327 (approved by San Francisco Public Works Order No. 203553; the "**Affordable Housing Site**"). In addition, the RFP asked respondents to develop and construct a segment of East Tehama Street adjacent to the Affordable Housing Site, extending from Main Street to Beale Street (the "**Site**"), to be transferred upon completion to the City for long-term ownership and operation.

I. An evaluation panel comprised of OCII staff, City staff, and a member of the Transbay Citizens Advisory Committee reviewed submittals in response to the RFP and recommended Transbay Block 4 West, LP, a California limited partnership to develop both Block 4 West and the Site (the "**Affordable Developer**"). The Affordable Developer's submittal was responsive to the RFP, including as it relates to the development of the Site and demonstrated experience in completing infrastructure improvements needed to support high-quality affordable housing. On October 21, 2025, OCII staff provided the Commission with an informational memorandum on the evaluation panel's recommendation.

J. The Affordable Developer has designated Site Developer to perform the Predevelopment Work set forth in this Agreement and, by its signature hereto, OCII has consented to such designation.

K. The proposed development program for the Affordable Housing Site includes a total of approximately 314 rental housing units, including 311 affordable units and three manager's units, resident amenities, approximately 4,200 square feet of commercial space, and related streetscape improvements ("**Project**"). Affordable units will be provided at a range of income levels and are currently contemplated to be comprised of 80 one-bedroom units, 154 two-bedroom units, and 77 three-bedroom units.

L. OCII previously contracted with San Francisco Public Works ("**SFPW**") to design the Tehama Right of Way, exclusive of the southern sidewalk and crossings at Main and Beale Streets, through 100% Construction Documents as part of the Block 3 Park and Infrastructure project ("**Tehama ROW**"). SFPW completed the Tehama ROW design in early 2024.

M. OCII has determined that to ensure pedestrian and emergency vehicle access in time for initial occupancy of the Project, the design and construction of the East Tehama Street segment and related infrastructure including the Tehama ROW ("**Tehama Improvements**") should be completed by the Affordable Developer or the Site Developer. To aid the Affordable Developer or Site Developer completing the design, engineering, and eventual construction of the Tehama Improvements, OCII will share the Tehama ROW design with the Affordable Developer and/or Site Developer.

N. On April 7, 2026, the Commission adopted Resolution No. _____ authorizing the Executive Director to execute an Exclusive Negotiations Agreement ("**ENA**") to pursue predevelopment activities on Block 4 West and the Site. The ENA establishes a series of predevelopment milestones that, if completed, may culminate in the execution of a long-term ground lease agreement for the Affordable Housing Site, and an amended and restated Infrastructure Development Agreement for construction of the Tehama Improvements on the Site, both subject to a public hearing and consideration by the Commission.

O. On April 7, 2026 the Commission adopted Resolution No. _____ authorizing the Executive Director to execute an agreement to extend a predevelopment loan to the Affordable Developer in an initial amount of Five Million and No/100 Dollars ($5,000,000.00) to fund certain costs related to studies and conceptual design of the Affordable Housing Site, as well as certain predevelopment costs for the Project ("**Predevelopment Loan Agreement**").

P. On April 7, 2026 the Commission adopted Resolution No. _______ conditionally authorizing the Executive Director to execute an agreement in an initial amount of One Million and No/100 ($1,000,000) to fund predevelopment studies, conceptual design, and related predevelopment activities for both the Site and the Tehama Improvements. OCII and Site Developer intend to execute this "**Infrastructure Development Agreement**" to govern the scope, schedule, and funding of such predevelopment work. The funds provided by this Infrastructure Development Agreement will not be deemed a loan, and Site Developer will not be expected to reimburse funds appropriately invoiced and paid according to the terms and conditions set forth herein.

Q. Affordable Developer and Site Developer have entered into that certain permit to enter agreement ("**Permit to Enter**"), authorizing Site Developer, its agents, employees, contractors, subcontractors, and consultants, to enter the Site to perform activity related to the Predevelopment Work (as defined below), in accordance with Site Developer's rights under the Permit to Enter (as defined below).

R. OCII now intends to execute this Agreement to fund the predevelopment costs of the Predevelopment Work in accordance with the terms of this Agreement.

AGREEMENT

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

ARTICLE 1 DEFINITIONS

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

"**Accounts**" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by OCII in writing. All Accounts must be maintained in accordance with Section 2.4.

"**Affordable Developer**" has the meaning set forth in Recital I.

"**Affordable Housing Site**" has the meaning set forth in Recital H.

"**Agreement**" has the meaning set forth in the first paragraph hereto.

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

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

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

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

"**Commission**" means the Successor Agency Commission, commonly referred to as the Commission on Community Investment and Infrastructure.

"**Completion Date**" has the meaning set forth in Section 10.5.

"**CRL**" has the meaning set forth in Recital A.

"**Disburse**", "**Disbursement**" and other derivatives thereof means the disbursement of all or a portion of the Funding Amount by OCII as described in Article 4.

"**Effective Date**" means July 1, 2026.

"**ENA**" has the meaning set forth in Recital N.

"**Environment**" means surface or subsurface soil or strata, surface waters and sediments, navigable waters, wetlands, groundwater, drinking water supply, ambient or indoor air, plants, animals, wildlife and natural resources.

"**Environmental Activity**" means any actual, proposed or threatened presence, spilling, leaking, pumping, pouring, emitting, discharging, leaching, storage, releasing, generation, abatement, removal, treatment, disposal, handling or transportation of any Hazardous Substance at, under, into, on or from the Site.

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

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

"Excess Funds" means Funding Amount remaining after payment of all Predevelopment Work Expenses.

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

"**Funding Amount**" means an aggregate amount not to exceed one million and No/100 dollars ($1,000,000).

"**Funds**" means the monies to be disbursed by OCII under this Agreement.

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

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

"**Hazardous Substance(s)**" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency with jurisdiction over the Site to pose a present or potential hazard to human health or safety or to the Environment. Hazardous Substance includes any material or substance listed, defined, classified or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed under Proposition 65 or otherwise as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, and includes by way of example any asbestos, asbestos-containing materials, radionuclides, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity ordinarily used in the construction, operation or maintenance of activities similar to the Predevelopment Work will not be deemed Hazardous Substances for purposes of this Agreement if used in compliance with applicable Environmental Laws.

"**HCD**" means the California Department of Housing and Community Development.

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

“**Infrastructure Development Agreement**” has the meaning set forth in the first paragraph hereto.

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

"**Loss**" or "**Losses**" includes any loss, liability, damage, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of rights in defense of any action in a bankruptcy proceeding.

"**MOHCD**" means the Mayor's Office of Housing and Community Development or its successor. Under Redevelopment Dissolution Law, the Board of Supervisors of the City and County of San Francisco has designated MOHCD as the Housing Successor to the former Redevelopment Agency.

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

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

"**Official Records**" means the Official Records of the City and County of San Francisco.

"**Permit to Enter**" means a permit to enter of the Site between the Site Developer as the entity responsible for completing the Predevelopment Work and OCII as landlord, as approved by the Commission.

“Predevelopment Loan Agreement” has the meaning set forth in Recital O.

“**Predevelopment Work**” has the meaning set forth in Section 2.1.

"**Predevelopment Work Expenses**" means all costs incurred by Site Developer in connection with the performance of the Predevelopment Work, including hard and soft development costs and the expense of a cost audit.

"**Project**" means the development described in Recital K, to be developed and owned by the Affordable Developer.

"**Project Area**" has the meaning set forth in Recital A.

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

"**Schedule of Performance**" means the schedule attached hereto as Exhibit E that sets forth Predevelopment Work tasks and milestones and the dates by which they will be completed.

"**SFPW**" is San Francisco Public Works.

"**Site**" means the real property described in Exhibit F of this Agreement.

"**Site Developer**" has the meaning set forth in the first paragraph hereto.

"**Site Developer Parties**" has the meaning set forth in Section 23.1.

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

"**Tehama Improvements**" has the meaning set forth in Recital M.

"**Tehama ROW**" has the meaning set forth in Recital L.

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

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

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

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

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

1.3 Websites for Statutory References. The statutory and regulatory materials listed below may be accessed through the following identified websites.

(a) CFR provisions: www.access.gpo/nara/cfr

(b) OMB circulars: www.whitehouse.gov/OMB/circulars

(c) S.F. Administrative Code: https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-2

ARTICLE 2 ENGAGEMENT AND FUNDING

2.1 Engagement to Perform Predevelopment Work. OCII hereby engages the Site Developer to perform or cause to be performed the following work on the Site, which is necessary for the development of the Tehama Improvements: Predevelopment design and engineering of the Tehama Improvements, including the new street's roadway, curbs, sidewalks, lighting, furniture, any above- or below-grade utilities, plantings, among other improvements that may be required by OCII or the City ("**Predevelopment Work**"). OCII previously contracted with SFPW to design the Tehama ROW through 100% Construction Documents as part of the Block 3 Park and Infrastructure project. Through this Agreement, OCII will share the Tehama ROW design with the Affordable Developer and/or Site Developer to use towards completing the design and engineering of the Predevelopment Work. The Site Developer understands that OCII's existing Tehama ROW design was in relation to previous contemplations of the Transbay Block 3 and 4 projects, and therefore the Predevelopment Work must be refined relative to the Project. The Site Developer accepts such engagement by OCII and agrees to complete the Predevelopment Work for OCII (as an independent contractor and not as an agent of OCII), in accordance with the terms and conditions set forth below.

2.2 Funding Amount. OCII agrees to disburse to Site Developer up to an amount equal to the Funding Amount to finance expenses and third-party costs incurred by Site Developer to cause the Predevelopment Work to be completed. The Funding Amount will be disbursed according to the terms and conditions described in this Agreement.

2.3 Use of Funds. Site Developer acknowledges that OCII's agreement to Disburse the Funds is based in part on Site Developer's agreement to use the Funds solely to cause the

Predevelopment Work to be performed and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses.

2.4 Accounts; Interest. Each Account to be maintained by Site Developer under this Agreement must be held in a bank or savings and loan institution acceptable to OCII as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. Any interest earned on funds in any Account must be used for the benefit of the Predevelopment Work.

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

2.6 Conditions to Additional Financing. OCII may grant or deny any application by Site Developer for additional financing for the Predevelopment Work in its sole discretion.

2.7 Contracting Requirements. Site Developer shall comply with OCII's Agreement compliance requirements for procurement activities as further set forth in Exhibit B of this Agreement.

2.8 Workforce Requirements. Site Developer shall comply with OCII workforce requirements pursuant to Exhibit B.

2.9 Additional OCII Approvals. Site Developer understands and agrees that OCII is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Site Developer understands and agrees that neither entry by OCII into this Agreement nor any approvals given by OCII under this Agreement shall be deemed to imply that Site Developer will not be required to obtain any necessary approvals from City departments, boards or commissions that have jurisdiction over the Predevelopment Work. By entering into this Agreement, OCII is in no way modifying or limiting the obligations of Site Developer to carry out the Predevelopment Work in accordance with all local laws. Site Developer understands that the Predevelopment Work shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Predevelopment Work, which may include other City agencies. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Predevelopment Work, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Predevelopment Work.

ARTICLE 3 INTENTIONALLY OMITTTED.

ARTICLE 4 DISBURSEMENTS.

4.1 Conditions Precedent to Start of Predevelopment Work.

(a) OCII will authorize the commencement of the Predevelopment Work upon satisfaction of the following preconditions:

i. The ENA, Predevelopment Loan Agreement, and Permit to Enter, must be executed and delivered between OCII (as Landlord) and the Affordable Developer (as Permittee);

ii. Site Developer must have delivered to OCII fully executed originals of the following documents, in form and substance satisfactory to OCII: (i) this Agreement (in triplicate); (ii); the Authorizing Resolutions; and (iii) any other OCII Documents reasonably requested by OCII.

iii. Site Developer must have delivered to OCII Site Developer's Charter Documents.

iv. Site Developer must have delivered to OCII evidence of insurance (including required endorsements), acceptable to OCII, and, if requested by OCII, copies of policies for all insurance required under Exhibit C of this Agreement.

(b) Following satisfaction of the conditions in Section 4.1 (a), OCII will authorize the commencement of the Predevelopment Work and begin Disbursements in accordance with Section 4.2.

4.2 Disbursement of Funds

4.2.1 Generally. OCII will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Site Developer in accordance with this Agreement and the approved line-item budget contained in the Table of Sources and Uses, as applicable.

4.2.2 Disbursement of Funds. As and when requested and in accordance with this Agreement and the approved line-item budget contained in the Table of Sources and Uses, OCII will make Disbursements to or for the account of Site Developer in an aggregate sum not to exceed the Funding Amount.

4.2.3 Conditions to Disbursement of Funding Amount. OCII's obligation to Disburse Funds is subject to Site Developer’s satisfaction of the following conditions precedent:

(a) Site Developer must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, together with: (i) copies of invoices, Agreements or other documents covering all amounts requested; (ii) a line-item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Site Developer to reallocate the Funding Amount between the line items or to change the budget limits for a line item from what is shown in the Table of Sources and Uses must be approved as follows: (i) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount up to ten percent (10%) of the Funding Amount in the aggregate may be made with the express written approval of OCII's Transbay Project Manager; and (ii) except for funds moved from the contingency line item to another line item, a requested reallocation of the Funding Amount in an amount up to ten percent (10%) of the Funding Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of the Funding Amount from contingency line items to other line items shall not require the consent of OCII. Any such approved changes will be considered amendments to the Table of Sources and Uses.

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

(c) OCII shall use best efforts to either approve or disapprove each such Expenditure Request within ten (10) business days of receipt. In the event that OCII disapproves an Expenditure Request, OCII shall provide written notice thereof to Site Developer specifying the reason for such disapproval. To the extent reasonably practicable, OCII shall fund all approved Expenditure Requests within five (10) business days of approval.

4.3 Schedule of Performance. Site Developer must perform in accordance with the Schedule of Performance (Exhibit E). The Schedule of Performance may be modified at the request of the Site Developer with the written consent of the OCII Executive Director, which consent will not be unreasonably withheld, conditioned, or delayed.

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

4.5 Retention of Excess Funds. OCII will retain Excess Funds.

ARTICLE 5 INTENTIONALLY OMITTED.

ARTICLE 6 INTENTIONALLY OMITTED.

ARTICLE 7 INTENTIONALLY OMITTED.

ARTICLE 8 INTENTIONALLY OMITTED.

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Site Developer Compliance. Site Developer must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of the Funding Amount for the Predevelopment Work, including the requirements of the CRL, and those Laws set forth in Exhibit B. Site Developer acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to Section 23.1, this Section does not prohibit Site Developer from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 10 PREDEVELOPMENT WORK MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Site Developer understands and agrees that it will be monitored by OCII from time to time to ensure compliance with all terms and conditions in this Agreement and all Laws. Site Developer must cooperate with the monitoring by OCII and ensure full access to the Site and all information related to the Predevelopment Work as reasonably required by OCII.

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

10.2 [Intentionally Omitted].

10.3 [Intentionally Omitted].

10.4 [Intentionally Omitted].

10.5 Predevelopment Work Completion Report. Within the specific time periods set forth below after the completion of the Predevelopment Work, as applicable **("Completion Date")**, Site Developer must provide to OCII the reports listed below certified by Site Developer to be complete and accurate. Subsequent to the required submission of the reports listed below, Site Developer shall provide to OCII information or documents reasonably requested by OCII to assist in OCII's review and analysis of the submitted reports. To the extent not otherwise prohibited by applicable Law, Site Developer shall provide the following reports:

(a) within one hundred eighty (180) days after the Completion Date, a project completion audit performed by an independent certified public accountant identifying the uses of all the Funds; and

(b) within thirty (30) days after the Completion Date, a report on expenditures to third-party firms, including but not limited to consultants, contractors, and subcontractors, whether such firms are small business enterprises, the type of work and the dollar value of such work.

10.6 Response to Inquiries. At the request of OCII, its agents, employees or attorneys, Site Developer must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, Agreements, operations and condition of the Predevelopment Work, and any other requested information with respect to Site Developer or the Predevelopment Work.

10.7 Delivery of Records. At the request of OCII, made through its agents, employees, officers or attorneys, Site Developer must provide OCII within a reasonable period of time of no less than sixty (60) days from request therefor with copies of any other records related to the services rendered in connection with the Site, certified in writing by Site Developer to be complete and accurate.

10.8 Access to Other Books and Records. In addition to Site Developer's obligations under Sections 2.5 and 10.1, any other obligations to provide reports or maintain records in this Agreement or any other OCII Document, Site Developer agrees that duly authorized representatives of OCII will have access to and the right to inspect, copy, audit and examine all books, records and other documents Site Developer is required to keep at all reasonable times, following reasonable notice, for the retention period required under Section 10.9.

10.9 Records Retention. Site Developer must retain all records required for the periods required under applicable Laws.

ARTICLE 11 INTENTIONALLY OMITTED.

ARTICLE 12 INTENTIONALLY OMITTED.

ARTICLE 13 INTENTIONALLY OMITTED.

ARTICLE 14 INTENTIONALLY OMITTED.

ARTICLE 15 DEVELOPER FEE.

15.1 Amount. A portion of the Funding Amount in the cumulative amount of up to Fifty Thousand and No/100 Dollars ($50,000) shall be available to Site Developer as a developer fee for the period between the Effective Date and the Completion Date, payable in accordance with the Developer Fee Schedule attached hereto as Exhibit I.

ARTICLE 16 INTENTIONALLY OMITTED

ARTICLE 17 INSURANCE AND BONDS

17.1 Site Developer's Insurance. Subject to approval by OCII's risk manager of the insurers and policy forms, Site Developer must obtain and maintain, or cause to be obtained and maintained, insurance as set forth in Exhibit C commencing with the Effective Date and thereafter throughout the duration of the Predevelopment Work, at no expense to OCII.

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Site Developer covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for performance and completion of the Predevelopment Work. Subject to Section 23.1, this Section does not prohibit Site Developer from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 19 DEFAULT.

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

(a) Site Developer fails to perform or observe any term, covenant or agreement contained in any OCII Document, and the failure continues for thirty (30) days after Site Developer's receipt of written notice from OCII to cure the default, or, if the default cannot be cured within a 30-day period, Site Developer will have sixty (60) days to cure the default, or any longer period of time deemed necessary by OCII, *provided that* Site Developer commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(b) Any representation or warranty made by Site Developer in any of this Agreement proves to have been incorrect in any material respect when made; or

(c) Site Developer is subject to an order for relief by a bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Site Developer applies for or consents to the appointment of any receiver, trustee or similar official for Site Developer or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Site Developer institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Site Developer or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days).

19.2 Intentionally Omitted.

19.3 Remedies. During the pendency of an uncured Event of Default, OCII may exercise any right or remedy available under this Agreement or any other OCII Document or at law or in equity. All of OCII's rights and remedies following an Event of Default are cumulative, including:

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

(b) OCII may perform any of Site Developer's obligations in any manner, in OCII's reasonable discretion.

(c) OCII may terminate this Agreement.

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

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

ARTICLE 20 <u>REPRESENTATIONS AND WARRANTIES</u>.

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

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

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

(c) To Site Developer's knowledge, no action, suit or proceeding is pending or threatened that might affect Site Developer or the Predevelopment Work adversely in any material respect.

(d) To Site Developer's knowledge, Site Developer is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Site Developer, Site Developer's principals or Site Developer's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Site Developer, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) All statements and representations made by Site Developer in connection with the Predevelopment Work remain true and correct as of the date of this Agreement.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, by nationally recognized courier that obtains receipts or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To OCII: Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment Agency

	1 South Van Ness, 5th Floor San Francisco, CA 94103 Attn: Executive Director
With a copy to:	Mayor's Office of Housing and Community Development 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Director
To Site Developer:	Transbay 4 Tehama LLC ______________________________ ______________________________ ______________________________ Attention: ____________________ Email: ________________________
	WITH A COPY TO: ______________________________ ______________________________ ______________________________ ______________________________ Attention: ____________________ Email: ________________________

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

ARTICLE 22 HAZARDOUS SUBSTANCES.

22.1 Responsibilities. Site Developer shall be responsible for the investigation of Hazardous Substances or other environmental conditions at, in, on, or under the Site as part of the Predevelopment Work and to the extent of available Funds. If previously unknown or unforeseen Hazardous Substances or other environmental conditions are discovered during the course of the Predevelopment Work, the Site Developer will notify OCII and the Affordable Developer promptly. Any such unknown or unforeseen Hazardous Substances, excess amounts of Hazardous Substances, and any other environmental conditions are not the direct responsibility of Site Developer and shall be addressed either by mutually agreed amendment to this Agreement, or by OCII in accordance with applicable provisions of the Permit to Enter.

22.2 Covenant. Unless OCII otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Site Developer must: (a) comply with all applicable Environmental Laws relating to the Site and the Predevelopment Work, and not engage in or permit its agents to cause the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the Predevelopment Work or intended use of the Site, *provided that* nothing contained in this Section will prevent Site Developer from contesting, in good faith and by appropriate proceedings, any interpretation, enforcement or application of Environmental Laws; and (b) deliver to OCII notice of the discovery by Site Developer of any Environmental Activity in violation of applicable Environmental Laws on the Site promptly following Site Developer's discovery.

ARTICLE 23 INDEMNITY.

23.1 Site Developer's Obligations. Site Developer shall, to the fullest extent allowable by law, defend, indemnify and protect and hold harmless OCII, the City, and their respective officers, agents and employees (individually an "**Indemnitee**" or collectively, "**Indemnitees**") against any and all Losses arising directly or indirectly, in whole or in part out of:

(a) any default by Site Developer in the observance or performance of any of Site Developer's obligations under the OCII Documents (including those covenants set forth in Article 22 above (and subject to the limitation in Section 22.1 above));

(b) any failure of any representation by Site Developer to be correct in all material respects when made;

(c) injury or death to persons or damage to property or other Loss occurring on the Site in connection with the Predevelopment Work, whether caused by the negligence or any other act or omission of Site Developer or its contractors, agents, permittees or invitees (individually and collectively the "**Site Developer Parties**") or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise, but only to the extent any such damage, injury, activity, condition or event (x) occurs on or after the Effective Date, and (y) arises directly or indirectly from Site Developer's or Site Developer's Parties' activities related to the Predevelopment Work;

(d) any claim, demand or cause of action, or any action or other proceeding (including without limitation those made by third-parties), whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the OCII Documents, the Disbursements, Site Developer's or Site Developer's Parties' activities on the Site or Site Developer's or Site Developer's Parties' performance of the Predevelopment Work, or any transaction contemplated by, or the relationship between Site Developer and OCII or Site Developer and the City;

(e) the occurrence, after the date of this Agreement and before the expiration of the term of this Agreement, of any Environmental Activity arising directly or indirectly from Site Developer's or Site Developer's Parties' activities on the Site or any failure of Site Developer or Site Developer's Parties to comply with all applicable Environmental Laws relating to Site Developer's or Site Developer's Parties' activities on the Site;

(f) the occurrence, after the termination of this Agreement, of any Environmental Activity resulting directly or indirectly from any act or failure to act caused or permitted by Site

Developer or Site Developer's Parties occurring from the date of this Agreement until the termination of this Agreement;

(g) any liability of any nature arising from Site Developer's contest of or relating to the application of any Law, including any contest permitted under Sections 9.1 **or** 18.1; or

(h) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (g) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for any Environmental Activity first existing or occurring as of or prior to the date of this Agreement (unless and except to the extent aggravated or exacerbated by Site Developer or Site Developer's Parties), any Environmental Activity of or caused by a person or entity other than Site Developer or Site Developer's Parties, or for matters caused solely by the Indemnitee's own negligence or willful misconduct.

In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Site Developer has indemnified the Indemnitees hereunder, upon written notice, Site Developer must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Site Developer's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the completion of the Predevelopment Work and/or termination of this Agreement.

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

ARTICLE 24 GENERAL PROVISIONS.

24.1 Intentionally Omitted.

24.2 No Third-Party Beneficiaries other than City. Nothing contained in this Agreement, nor any act of OCII, may be interpreted or construed as creating the relationship of third-party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between OCII and Site Developer or Site Developer's agents, employees or contractors.

24.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any third-party claim against OCII with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Predevelopment Work. Site Developer must include this requirement as a provision in any Agreements for the performance of the Predevelopment Work.

24.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by OCII and Site Developer with regard to the subject matter of this

Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on OCII or Site Developer.

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

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

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

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

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

24.10 Joint and Several Liability. If more than one person or entity signs this Agreement as Site Developer or if Site Developer consists of more than one person or entity, the obligations of such persons and entities shall be joint and several.

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

24.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the OCII's General Counsel and/or the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the OCII's General Counsel's and City Attorney's offices will be based on the fees regularly charged by private attorneys: (i) with the equivalent number of years of experience in the subject matter of law for which such legal services were rendered; (ii) who practice in the City of San Francisco; and (iii) who practice in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

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

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

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

24.16 Intentionally Omitted.

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

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

24.19 Site Developer's Personnel. The Predevelopment Work shall be implemented only by competent personnel under the direction and supervision of Site Developer.

24.20 Intentionally Omitted.

24.21 Intentionally Omitted.

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

24.23 Intentionally Omitted.

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

EXHIBITS

A Table of Sources and Uses of Funds
B Agreement Compliance Policies
C Insurance Requirements
D Lobbying/Debarment Certification Form
E Schedule of Performance
F Description of the Site
G Assignment of Work Product
H Consent to Assignment of Work Product
I Developer Fee Schedule

Signatures begin on following page

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California 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: ______________________________
Thurston Kaslofsky
Executive Director

APPROVED AS TO FORM:

James B. Morales
OCII General Counsel

By: ______________________________
Victor Pappalardo
Deputy General Counsel

SITE DEVELOPER:
Transbay 4 Tehama LLC,
a California limited liability company

Authorized by OCII Resolution No. XX-XXXX, dated ______ 2026

EXHIBIT A

Table of Sources and Uses

Application Date:
Project Name: Tehama Improvements
Project Address:
Project Sponsor: Mercy Housing California and Young Community Developers

 # Units:
 # Bedrooms:
 # Beds:

Don't forget to fill in D135:D138!

SOURCES	**1,000,000**	-	-	-	-	-	**1,000,000**		
Name of Sources:	MOHCD/OCII						**Total Sources**	**Comments**	
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab							0	Include FF&E	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		Construction line item costs as a % of hard costs
Offsite Improvements							0		
Infrastructure Improvements	130,500						130,500	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		**0.0%**
GC Overhead & Profit							0		**0.0%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*130,500*	*0*	*0*	*0*	*0*	*0*	*130,500*		
Design Contingency (remove at DD)							0	$45MM+	**0.0%**
Bid Contingency (remove at bid)							0	$45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	$45MM+	**0.0%**
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**130,500**	**0**	**0**	**0**	**0**	**0**	**130,500**		
SOFT COSTS									
Architecture & Design									
Architect design fees	50,000						50,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	50,000						50,000		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*100,000*	*0*	*0*	*0*	*0*	*0*	*100,000*		
Other Third Party design consultants (not included under Architect contract)	450,000						450,000	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**550,000**	**0**	**0**	**0**	**0**	**0**	**550,000**		
Engineering & Environmental Studies									
Survey	25,000						25,000		
Geotechnical studies							0		
Phase I & II Reports	25,000						25,000		
CEQA / Environmental Review consultants	25,000						25,000		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants	25,000						25,000	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**100,000**	**0**	**0**	**0**	**0**	**0**	**100,000**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Legal Costs									
Borrower Legal fees	10,000						10,000		
Land Use / CEQA Attorney fees	10,000						10,000		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**20,000**	**0**	**0**	**0**	**0**	**0**	**20,000**		
Other Development Costs									
Appraisal							0		
Market Study							0		
* Insurance							0		
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs							0		
Entitlement / Permit Fees	50,000						50,000		
* Marketing / Rent-up							0		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees							0		
TCAC App / Alloc / Monitor Fees							0		
* Financial Consultant fees							0		
Construction Management fees / Owner's Rep	25,000						25,000		
Security during Construction							0		
* Relocation							0		
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**75,000**	**0**	**0**	**0**	**0**	**0**	**75,000**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	74,500	0	0	0	0	0	74,500	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**819,500**	**0**	**0**	**0**	**0**	**0**	**819,500**		
RESERVES									
* Operating Reserves							0		
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	50,000						50,000		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**50,000**	**0**	**0**	**0**	**0**	**0**	**50,000**		
TOTAL DEVELOPMENT COST	**1,000,000**	**0**	**0**	**0**	**0**	**0**	**1,000,000**		
Development Cost/Unit by Source									
Development Cost/Unit as % of TDC by Source									
Acquisition Cost/Unit by Source									
Construction Cost (inc Const Contingency)/Unit By Source									
Construction Cost (inc Const Contingency)/SF									
**Possible non-eligible GO Bond/COP Amount:*	*0*								
City Subsidy/Unit									

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

EXHIBIT B

Agreement Compliance Policies

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

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015, July 7, 2015, as amended by Resolution No. 7-2022);

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

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

(iv) Health Care Accountability Policy (adopted by Resolution No. 168-2001, as amended by Resolution No. 34-2009); and

(v) Minimum Compensation Policy (adopted by Resolution No. 168-2001, as amended by Resolution No. 34-2009).

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

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

3. Conflict of Interest.

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

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

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

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

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

6. [Intentionally Omitted]

7. <u>Non-Discrimination in OCII Contracts and Benefits Policy</u>.

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

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

8. Public Disclosure.

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

9. Limitations on Contributions. Through execution of this Agreement, Site Developer acknowledges that it is familiar with section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the OCII for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by such individual, the board on which that individual serves, or a state

agency on whose board an appointee of that individual serves, (2) a candidate for the office held by such an individual, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the contract is approved. Site Developer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $100,000 or more. Site Developer further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Site Developer's board of directors; Site Developer's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Site Developer; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Site Developer. Additionally, Site Developer acknowledges that Site Developer must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Site Developer agrees to provide to OCII the names of: (i) each of Site Developer's board of directors, including its chairperson; (ii) Site Developer's general partners' (or, if applicable, general partners' managing members); (iii) Site Developer's, chief executive officer, chief financial officer, and chief operating officer; (iv) any person with an ownership interest of more than 20 percent in Site Developer; (v) any subcontractor listed in the bid or this Agreement; and (vi) any committee that is sponsored or controlled by Site Developer.

EXHIBIT C
Insurance Requirements

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

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

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

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

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). Before the start of demolition/construction if the Site is unoccupied, Site Developer and Site Developer's Contractors will maintain coverage of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence and Four Million Dollars ($4,000,000) annual aggregate limit. Umbrella or Excess Liability Policy may be used to meet the terms of this section. Site Developer should note that the General Liability coverage described herein is applicable only during the predevelopment phase and that OCII will require increased coverage for the Site Developer and construction contractors during the construction period.

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

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

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

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

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

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

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

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

F. General Requirements.

1) If the Site Developer maintains additional coverages and/or higher limits than the minimums shown in this Attachment 5, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Site Developer.

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

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

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

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

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

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

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

1) Identify the following as the certificate holder:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco

Office of Community Investment and Infrastructure

One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

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

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

H. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII’s Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Site

Developer to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

EXHIBIT D

Lobbying/Debarment Certification Form

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

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal Agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal Agreement, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal Agreement, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

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

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

____

BY: ____________________________________

NAME: ____________________________________

TITLE: ____________________________________

DATE:____

EXHIBIT E

SCHEDULE OF PERFORMANCE

	Performance Milestone	**Estimated or Actual Date**
1	Notice to Proceed	4/8/2026
2	Completion of Predevelopment Work	10/1/2028

EXHIBIT F

Description of the Site

Lot 2 of Final Transfer Map 10327, an 11,000 square foot distinct parcel, depicted in the graphic below.

Assessor's Block 3739-011

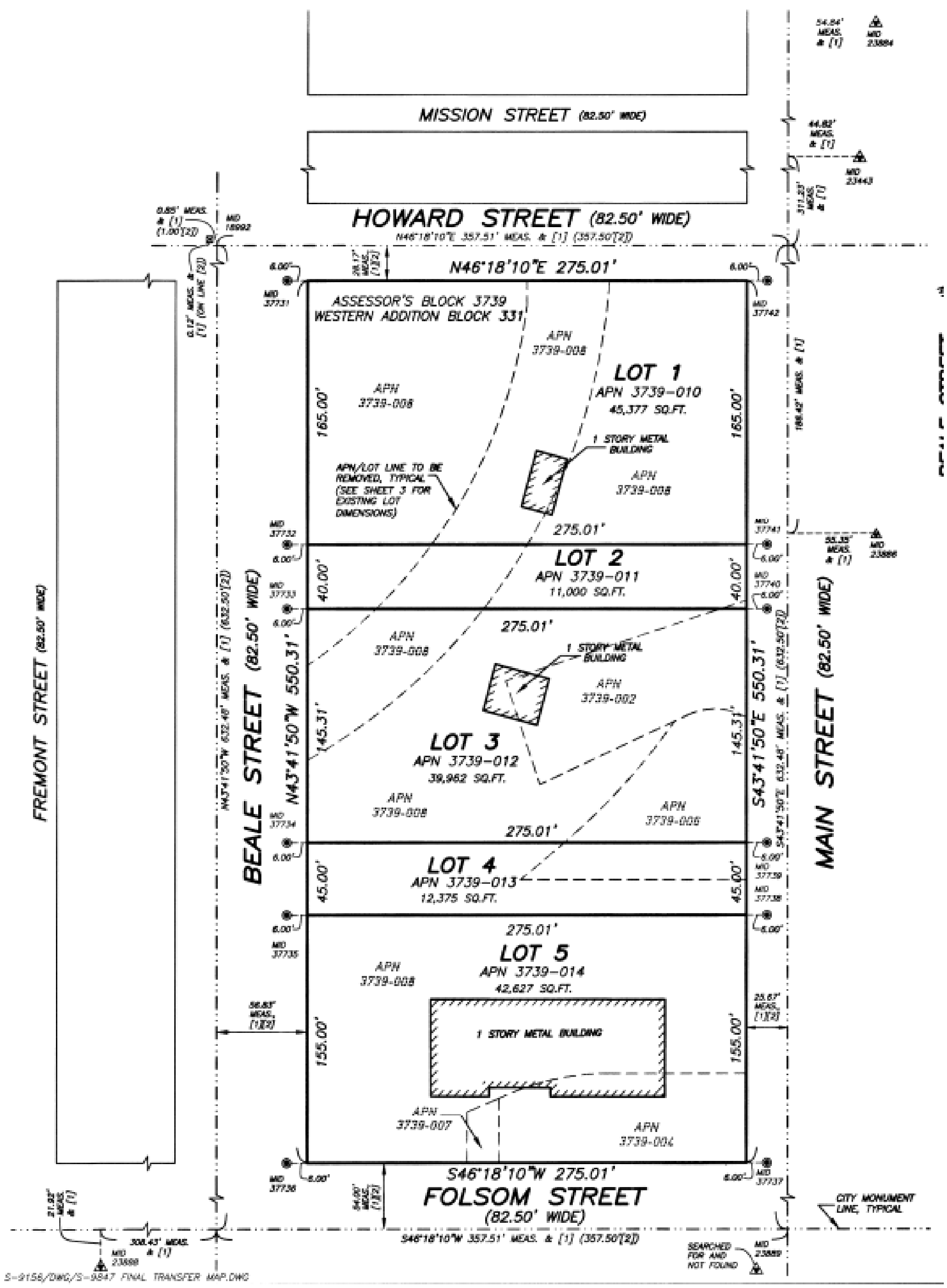


EXHIBIT G

Assignment of Work Product

Assignment of Architects and Engineers Agreement Plans and Specifications

FOR VALUE RECEIVED, _____________, ("Site Developer") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (commonly known as the Office of Community Investment and Infrastructure) ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Site Developer and Kennerly Architecture & Planning/SCB and any other contracts entered into between Site Developer and any licensed design profession or engineer ("Architect" or "Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architects and Engineers for the account of Site Developer in connection with the development of East Tehama Street.

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

Site Developer hereby irrevocably constitutes and appoints Agency as its attorney-in-fact to demand, receive, and enforce Site Developer's rights with respect to the Agreement and the Plans, to give appropriate receipts, releases and satisfactions for and on behalf of Site Developer and to do any and all acts in the name of Site Developer or in the name of Agency with the same force and effect as Site Developer could do if this Assignment had not been made.

Site Developer hereby represents and warrants to Agency that no previous assignment of its interest in the Agreement and the Plans has been made, and Site Developer agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Agreement and the Plans so long as this Assignment is in effect.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Site Developer and Agency.

IN WITNESS WHEREOF, Site Developer has caused this Assignment to be executed on _________________, 2026.

SITE DEVELOPER:

By: ______________________________

EXHIBIT H

Consent to Assignment of Work Product

Consent to Assignment

FOR VALUE RECEIVED, ____________, ("Site Developer") does hereby sell, assign, pledge, transfer and set over to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (commonly known as the Office of Community Investment and Infrastructure) ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Site Developer and Kennerly Architecture & Planning/SCB ("Architect") and any other contracts entered into between Site Developer and any licensed design professional or engineer ("Architect" or Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architect(s), Engineer(s) and others for the account of Site Developer in connection with the development of East Tehama Street.

The undersigned has prepared the Plans, hereby consents to the above Assignment hereby waives his/her lien rights, if any, for services rendered to date with respect to the Plans. The undersigned also agrees that in the event of a breach by Site Developer of any of the terms and conditions of the Agreement or any other agreement entered into with the undersigned in connection with the Plans, that so long as Site Developer's interest in the Plans is assigned to Agency, it will give written notice to Agency of such breach. Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require the OCII to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Site Developer under the Infrastructure Development Agreement or under the Assignment of Work Product, the undersigned, at Agency's request, shall continue performance under the Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Agreement for all services rendered on Agency's behalf including all services rendered on Site Developer's behalf.

Dated: ________________, 2026

ARCHITECT:

Kennerly Architecture & Planning/SCB

By: ____________________________________

Name: __________________________________

Title: __________________________________

(*signatures continue on following page*)

ENGINEER:

By: ____________________________________

Name: ___________________________________

Title: ____________________________________

EXHIBIT I

Site Developer Fee Schedule

Site Developer Fee Disbursement Schedule		
Payment Milestone	**% of Fee**	**Amount**
At close of predevelopment financing	30%	$15,000
Schematic design approval	30%	$15,000
OCII approval of 50% construction documents	40%	$20,000
Total Fee*	**100%**	**$50,000**

**Future developer fee milestones to be determined.*


Embarcadero Station
Rincon Park
Project Site
Muni 12 Bus Stop
Muni N Station
Salesforce Transit Center
Future Park
Koshland Pharm
Woodlands Market


Safeway
Sue Bierman Park
CCSF Chinatown Center
Embarcadero Plaza
Ferry Building
One Medical Primary Care Clinic
Salesforce Park
Walgreens Pharmacy
Project Site
Future Park
CCSF Downtown Center
80
Bessie Carmichael Middle School