OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

122-0352016-002

Agenda Item No. **5(g), 5(h) & 5(i)**
Meeting of June 21, 2016

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Authorizing an amendment to the Development Controls and Design Guidelines for the Transbay Redevelopment Project that increases the maximum height of Transbay Block 1 (160 Folsom Street) from 300 feet to 400 feet that is within the scope of the Transbay Redevelopment Project approved under a program Environmental Impact Report and that is adequately described in that report for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area

Authorizing, at a public hearing under Section 33431 of the Health and Safety Code, an Owner Participation/Disposition and Development Agreement with Block One Property Holder, L.P., a Delaware limited partnership, for the development of 391 for-sale units including 156 units affordable to low and moderate income households and ground floor retail at Transbay Block 1 (160 Folsom Street), that is within the scope of the Transbay Redevelopment Project approved under a program Environmental Impact Report and is adequately described in that report for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area

Conditionally approving the schematic design of a 39-story tower and two podium buildings comprised of 391 for-sale units including 156 units affordable to low and moderate income households, underground parking, and ground-floor retail at Transbay Block 1 (160 Folsom Street), and a variation to allow projections encroaching over sidewalks greater than those permitted by the Development Controls and Design Guidelines for the Transbay Redevelopment Project, for a project that is within the scope of the Transbay Redevelopment Project approved under a program Environmental Impact Report and that is adequately described in that report for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area

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EXECUTIVE SUMMARY

The Board of Supervisors of the City and County of San Francisco ("Board") approved the Redevelopment Plan for the Transbay Redevelopment Project Area by Ordinances No. 124-05

(June 18, 2015) and No. 99-06 (May 9, 2006), as amended by Ordinance No. 84-15, (June 18, 2015) ("Redevelopment Plan"). The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area ("Project Area"), and divides the Project Area into two sub-areas: Zone One, in which the Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls") define the development standards, and Zone Two, in which the San Francisco Planning Code applies.

Located on Folsom Street between Main and Spear Streets in Zone One of the Project Area, Block 1 is comprised of Assessor's Block 3740, Lots 027, 029, 030, 031, and 032. Lot 027 is owned by the Office of Community Investment and Infrastructure ("OCII Parcel"), and was acquired by the former Redevelopment Agency of the City and County of San Francisco ("Former Agency") in 2003 in furtherance of the Transbay affordable housing obligation. The remaining parcels are privately owned by Block One Property Holder, L.P., an affiliate of Tishman Speyer ("Developer"), as shown in the schematic design plans ("Schematic Designs") included as Attachment 1. The Development Controls require that the OCII Parcel be aggregated with the private parcels for suitable development on Block 1.

In 2013, the Developer approached OCII about a possible purchase of the OCII Parcel, so that it can aggregate the OCII Parcel with its privately-owned parcels for the development of a residential for-sale project. On November 18, 2014 the Commission authorized the Executive Director to execute an Exclusive Negotiation Agreement ("ENA") for the development of Block 1 with the development team led by Tishman Speyer ("Developer"), and also including Studio Gang Architects ("Studio Gang") as the lead architect, and locally-based Perry Architects and Barcelon Jang, as associate architects (together referred to as the "Development Team").

Within the ENA, two project alternatives were proposed: one that complied with the height limit designated in the Redevelopment Plan at the time of 300 feet for the residential tower, and one that required an amendment to the Redevelopment Plan for the Project Area to increase the height of the tower to 400 feet ("Plan Amendment"). OCII and the Developer determined that the 400-foot alternative was preferred and the Developer proceeded with the Plan Amendment to increase the maximum height limit of the residential tower on Block 1 from 300 feet to 400 feet.

OCII, in consultation with the Planning Department, prepared an eighth addendum to the Final Environmental Impact Statement/Environmental Impact Report ("FEIS/EIR") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project ("Addendum"). Overall, the Addendum determined the Plan Amendment would not cause new significant impacts not identified in the FEIS/EIR, nor would the project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe.

On January 19, 2016 the Commission on Community Investment and Infrastructure ("Commission") approved the Plan Amendment, referred the Plan Amendment to the City of San Francisco Planning Commission ("Planning Commission") for its report and recommendation on the Plan Amendment and its conformance to the General Plan, and recommended the Plan Amendment to the Board of Supervisors ("Board") for adoption. On April 19,

2016 the Planning Commission determined that the Plan Amendment conforms to the San Francisco General Plan and provided a report and recommendation of approval to the Board. On April 26, 2016 the Board approved the Plan Amendment. The Plan Amendment will become effective 90 days after April 28, 2016, the date the Mayor signed the legislation amending the Redevelopment Plan. As a result of the adoption of the Plan Amendment, the Development Controls must be amended to change the height range on the Block 1 tower parcel to be consistent with the Redevelopment Plan.

For the 400-foot tower height alternative, the proposed project consists of a 39-story residential tower and attached townhomes, two podium buildings, 10,210 square feet of ground floor retail, a shared underground parking garage with 340 spaces, 6,898 square feet of shared open space, and streetscape improvements (collectively the "Project"). The Project includes 391 homeownership units, of which 235 units are market rate. The Project includes 156 affordable units, representing 40% of the overall Project (compared to 35% affordability in the ENA). Of the 156 affordable units now proposed, 80 will be interspersed throughout the townhomes and first 26 floors of the tower ("Inclusionary Units"), and will be affordable to households earning between 100%-120% of Area Median Income ("AMI"). The unit mix of the Inclusionary Units will be proportional to that of the market-rate units. The remaining 76 affordable units are located within the six and eight story podium buildings ("Affordable Project"), will be subsidized by OCII funding, and will be affordable to households earning between 80%-100% of AMI. Twenty-nine (29) of the 76 units in the Affordable Project are within the six-story podium building located on the south side of the site just west of the tower building, and the remaining 47 units are within the eight-story podium building located on the west side of the site adjacent to the six-story podium building. A comparison of the proposed Project with the project approved in the ENA is included in the body of the Memorandum.

The Developer has submitted a schematic design for the Project (included as Attachment 1), and staff has determined that the proposed Project as designed requires a variance to the Development Controls. The Development Controls allow for sidewalk encroachments, including overhead projections such as bay windows. Per the Development Controls the dimensional requirements of the bay windows must comply with Planning Code Section 136, which allows maximum three-foot encroachments over the sidewalk with widths no greater than 15 feet at the building façade and no greater than nine feet at the far edge of the projection. Adherence to the Planning Code would disallow the schematic design's chief feature of spiraled bay windows, and reduce the size of the Below Market Rate ("BMR") units below the OCII minimums. Therefore, a variance to the Development Controls is recommended. All other aspects of the schematic design comply with the Development Controls and staff recommends a conditional approval.

The Owner Participation/Disposition and Development Agreement with the Developer ("OP/DDA") is included as Attachment 2 and sets forth the terms and conditions upon which the Developer will purchase the OCII Parcel and develop the Project. Key terms include: (1) payment to OCII of the fair market value of the OCII Parcel, which is $19,180,000; (2) payment of a $2,000,000 deposit by the Developer; (3) an OCII subsidy of $19,180,000 for the Affordable Project located in the podium buildings; (4) sale of the affordable units pursuant to OCII's Limited Equity Program, in order to ensure the units will be permanently affordable; (5) creation of a homeowners association for the affordable units that is separate from the market-rate homeowners association in order to help preserve the long-term affordability of the units; (6) Developer payment of $225,000 to provide future financial assistance to protect owners of the Inclusionary Units and Affordable Project units from homeowners association

("HOA") dues increases and special assessments; and (7) compliance with OCII policies, including the Small Business Enterprise Program, and insurance requirements.

Staff recommends (1) authorizing an amendment to the Development Controls and Design Guidelines to increase the maximum height of Block 1 from 300 feet to 400 feet; (2) conditional approval of the schematic design; (3) authorizing a sole source OP/DDA for the development of 391 mixed income for-sale units and ground floor retail.

BACKGROUND

Redevelopment Plan

The Project Area was established in June 2005 with the adoption of the Redevelopment Plan by the Board. The purpose of the Redevelopment Plan was to redevelop the State-Owned Parcels to generate funding for the Transbay Joint Powers Authority to construct the new Transbay Transit Center and meet the affordable housing requirements of Assembly Bill 812. Assembly Bill 812, enacted by the California Legislature in 2003 and codified at California Public Resources Code §5027.1, mandates that a total of 25% of the residential units in the Project Area be available to low income households, and an additional 10% be available to moderate income households, for a total of 35% affordable housing units (the "Transbay Affordable Housing Obligation"). The Former Agency also entered into several agreements to implement the Redevelopment Plan, including, among others, the Implementation Agreement. While the Implementation Agreement primarily governs the development of the State-Owned Parcels, it also requires OCII to (1) implement the Redevelopment Plan to enhance the financial feasibility of the Transbay Transit Center, and (2) implement the affordable housing program mandated by the enactment of Assembly Bill 812.

OCII Parcel/Block 1

Block 1 is a 54,098 square-foot site located on Folsom Street between Main and Spear Streets, two blocks south and two blocks east of the future Transbay Transit Center. It is comprised of five separate legal parcels: Assessor's Block 3740, Lots 027, 029, 030, 031 and 032. Lot 027 is the OCII Parcel, which consists of 34,133 square feet. The remaining parcels are privately owned by the Developer ("Private Parcels"), and consist of 19,965 square feet. The site plan is shown in the Schematic Designs included as Attachment 1. Prior to dissolution, the Former Agency acquired the OCII Parcel with Low- and Moderate-Income Housing Funds for the purpose of fulfilling the Transbay Affordable Housing Obligation.

After acquiring the Private Parcels, the Developer approached OCII about a possible purchase of the OCII Parcel, so that it can aggregate the OCII Parcel with its privately-owned parcels for the development of a residential for-sale Project. On November 18, 2014 the Commission authorized the Executive Director to execute an ENA for the development of Block 1 with the development team led by the Developer. The development team also included Chicago-based Studio Gang as the lead architect and Perry Architects and Barcelon Jang as San Francisco-based associate architects. Within the ENA, two project alternatives were proposed: one that complied with the tower height limit of 300 feet designated in the Redevelopment Plan at the time, and one that required an amendment to the Redevelopment Plan for the Project Area to increase the height of the tower to 400 feet.

OCII and the Developer determined that the 400-foot alternative was preferred and the Developer proceeded with the Plan Amendment to increase the maximum height limit of the residential tower on Block 1 from 300 feet to 400

feet. OCII, in consultation with the Planning Department, prepared an addendum to the FEIS/EIR for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project. Overall, the Addendum determined the Plan Amendment would not cause new significant impacts not identified in the FEIS/EIR, nor would the project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe. On January 19, 2016, the Commission on Community Investment and Infrastructure approved the Plan Amendment, referred the Plan Amendment to the Planning Commission for its report and recommendation on the Plan Amendment and its conformance to the General Plan, and recommended the Plan Amendment to the Board for adoption. On April 19, 2016 the Planning Commission determined that the Plan Amendment conforms to the San Francisco General Plan and provided a report and recommendation of approval to the Board. On April 26, 2016 the Board approved the Plan Amendment. The Plan Amendment will become effective 90 days after April 28, 2016, the date the Mayor signed the legislation amending the Redevelopment Plan.

DISCUSSION

Project Description

The development program for Block 1 conforms to the goals and requirements of the Redevelopment Plan, the proposed amended Development Controls, and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan (the "Streetscape and Open Space Plan"). The development program, as proposed by the Development Team and shown in the Schematic Designs in Attachment 1, includes:

- A mixed-income, for-sale, residential project on Block 1, consisting of (1) a 39-story tower located on the east side of the site and an attached four-story building consisting of townhomes adjacent to the south side of Clementina Street, and (2) a separate six-story podium building on the west side of the tower, and (3) an eight-story podium (attached to the six-story podium) located on the west side of the site, for a total of 391 residential units;

- 10,210 square feet of neighborhood serving ground floor retail;

- A shared underground parking garage with 340 spaces for cars and 150 spaces for bikes. The Inclusionary Units and the market rate component of the tower will have the same parking ratio of one space per unit, and the Affordable Project will have .25 parking spaces per unit, similar to the other approved Transbay Zone One affordable projects;

- Shared open space and amenities (collectively "Shared Amenities") consisting of the following, which shall be equally accessible to all residents of the Project and for which there shall be no fees required for residents to use the amenities beyond the HOA dues:

    — An outdoor courtyard on Level 2 of the podium buildings consisting of approximately 3,718 square feet;

    — An outdoor terrace on the roof of the Townhomes consisting of approximately 3,180 square feet;

    — A lounge space located adjacent to the outdoor terrace consisting of approximately 844 square feet.

- Streetscape improvements conforming to the Streetscape and Open Space Plan adopted by the Commission on November 21, 2006 by Resolution No. 2006-153.

Affordable Project and Inclusionary Units

The Transbay Affordable Housing Obligation requires that 35% of all units built within the Redevelopment Plan area be affordable, broken down as follows: (a) 25% of the units must be affordable to households with incomes less than 60% of AMI; (b) 10% of the units must be affordable to households with incomes less than 120% of AMI. However, the Redevelopment Plan requires the developers of individual projects within Transbay to provide only 15% affordability. Therefore, in order for OCII to meet the Transbay Affordable Housing Obligation, OCII must negotiate with individual project developers to increase affordability within their projects above 15% and/or subsidize construction of the affordable units. The Block 1 Project consists of 156 affordable homeownership units ("BMR Units", the Affordable Project and the Inclusionary Units combined) which is 40% of the overall project unit count. The BMR Units will be available to households earning between 80%-120% of AMI.

The table below provides a summary of the affordability and unit mix within the Block 1 Project:

Summary of Project Affordability

Project Component	Proposed
Tower Height	400 feet
Stories	39
Total Units	391 Units
Total BMR Units	156 BMR Units
Overall Project Affordability	40%
Level of Affordability (# of units)	
Podium	80% AMI (25 units) 90% AMI (26 units) 100% AMI (25 units) Total 76 units
Tower/Townhomes	100% AMI (50 units) 120% AMI (30 units) Total 80 units
Location of Tower BMR Units	Floors 1-26

By providing 40% of the units as affordable, Block 1 contributes to meeting the overall Transbay 35% affordability requirement. Block 1 also provides a rare opportunity to provide homeownership opportunities for moderate income residents in a central, transit rich location in San Francisco. Block 1 is the only OCII project to date in Transbay proposing to serve moderate income households. Providing middle income housing in San Francisco is challenging for several reasons. High land and construction costs result in market rate housing development that

primarily serves high income households with minimal production for middle income households. On the other end of the spectrum, low-income housing developers have access to favorable financing tools even as non-profit affordable developers face similar high land and construction costs. These affordable projects are typically also leveraged by the Low-Income Housing Tax Credits, and the Multifamily Housing Program or Affordable Housing and Sustainable Communities and such programs limit affordability to 60% AMI or less. Consequently, and due to limited financing tools available, very few moderate income units for those earning between 80%-120% AMI are built. Block 1, a project that is providing 156 homeownership units of moderate income housing for households earning between 80%-120% AMI is both unique and critical to generating units for an underserved population of city residents.

Affordable Project

The Affordable Project is defined as the six and eight story podium buildings and consists of 76 homeownership units. Twenty-nine (29) of the 76 units are within the 6-story podium building located west of the tower on the south side of the site, and 47 units are within the 8-story podium attached to the 6-story podium and located on the west end of the site. Approximately one-third of the units within the Affordable Project will be affordable to households earning 80% of AMI, adjusted solely for household size as determined annually by the Mayor's Office of Housing and Community Development ("MOHCD"), one-third will be affordable to households earning no more that 90% of AMI, and one-third will be available to households earning no more than 100% of AMI. Based on OCII's Limited Equity Program ("LEP", see page 8) and 2016 AMI figures, which will be adjusted at time of actual sale of the units, purchase prices for units within the Affordable Project will range as follows: 1-bedroom units $154,335 (80% AMI) to $223,667 (100% AMI); 2-bedroom units $217,777 (80% AMI) to $306,926 (100% AMI); 3-bedroom units $243,310 (80% AMI) to $342,343 (100% AMI). The Affordable Project will consist of 42 one-bedroom units, 19 two-bedroom units, and 15 three-bedroom units. There will be 19 parking spaces, which is consistent with the parking ratios of the other approved OCII-subsidized affordable projects within the Transbay district. OCII will provide a subsidy for the Affordable Project in the form of land valued at $19,180,000. In exchange, the Developer will construct the 76-unit Affordable Project.

On May 20, 2016 the Citywide Affordable Housing Loan Committee approved OCII's subsidy to the Transbay Block 1 project. As stated above, this subsidy takes the form of a land transfer from OCII of its parcel to the developer. Loan Committee approved the transfer of OCII's parcel valued at $19,180,000 on the basis that the Developer is in turn constructing and delivering the 76-unit BMR podium building.

Inclusionary Units

The Project also includes 80 Inclusionary Units interspersed within the townhomes and the first 26 stories of the tower building per the Schematic Designs in Attachment 1, and will include a mix of affordability levels: 50 of the Inclusionary Units shall be affordable to households earning no more than 100% of AMI, and; 30 of the Inclusionary Units shall be affordable to households earning no more than 120% of AMI. The Inclusionary Units will remain as affordable units at the initial level of affordability for the life of the Project, and will consist of 30 one-bedroom units, 45 two-bedroom units, and 5 three-bedroom units. Based on OCII's LEP and 2016 AMI figures, which will be adjusted at time of actual sale of the units, purchase prices for Inclusionary Units will range as follows: 1-bedroom units $223,667 (100% AMI) to $293,000 (120% AMI); 2-bedroom units $306,926 (100% AMI) to $396,074 (120% AMI); 3-bedroom units $342,343 (100% AMI) to $441,377 (120% AMI). The interior features of the Inclusionary Units will be of good quality and consistent with current standards for new for-sale housing.

Parking for the Inclusionary Units will be provided at the same ratio of parking spaces to residential units as the market-rate units in the tower, which is one space for each unit.

Affordability Restrictions

In order to ensure that the Inclusionary Units and the Affordable Project remain affordable for the life of the Project, a Declaration of Site Restrictions will be recorded on title for each of the BMR Units, which will require that in the event of sale, foreclosure, or any other transfer of ownership, the unit is subject to the affordability restrictions required per the Limited Equity Program as administered by MOHCD as the Housing Successor. The affordability restrictions will transfer as an asset to MOHCD upon the sale of all the BMR units.

Limited Equity Program

The LEP is an OCII homeownership program that is administered by MOHCD on behalf of OCII. Pursuant to the LEP, affordable homes are priced for and restricted to households earning between 55% and 120% of AMI. The LEP is designed to create homeownership opportunities to qualified low- and moderate-income households who otherwise would be unable to purchase a home in San Francisco. Buyers that meet the LEP's eligibility requirements can buy homes at affordable prices, and when they are ready to sell they must sell the homes to eligible households at affordable prices. This system ensures that as the units change hands the affordability of those units remains intact allowing multiple generations of homebuyers to access affordable homes in San Francisco. Since the LEP governs that initial purchase and subsequent resale prices are tied to affordability at specific percentages of AMI, owner equity is determined principally by the purchase power of the new eligible buyer at the time of resale rather than the market value of the home.

The LEP does have certain eligibility requirements of interested buyers. First, prospective buyers cannot have owned any residence in the past three years. The LEP is envisioned as a first-time homebuyer program so the criterion of having not owned a property in the preceding three years is critical. Second, the buyer must meet the income eligibility associated with the unit they are interested in. The current household income, including other owned assets, cannot exceed the designated percentage of AMI for the given home. Here income includes all sources of income for each household member over the age of 18. Down payments under the LEP are set at 5%, which will vary based on the price of the home. Of that 5% total down payment, 3% needs to be the buyer's own funds (held in a financial institution) and 2% can be gift funds. Each buyer must read all LEP program documents and agree to the occupancy and resale restrictions of the program. Household size is set at a minimum of one person per bedroom, and all unrelated household members must live together at the time the buyer applies for the home. Buyers must be able to obtain a mortgage from a MOHCD-approved lender, which can be accessed via MOHCD's website (http://sfmohcd.org/lender-list). The mortgage must be underwritten to MOHCD standards which stipulate a 30-year term, fixed-rate loan, with an initial debt ratio no lower than 28% and no higher than 38% of gross income.

Marketing and Occupancy Preferences

Per the OP/DDA the Developer is required to follow very specific protocols regarding the marketing of the BMR Units. While these protocols are detailed in Attachment 20 of the OP/DDA, the occupancy preferences for the BMR Units are as follows:

1. Successor Agency Certificate of Preference Holders ("COP") under the Property Owner and Occupant Preference Program, as reprinted September 11, 2008 and effective October 1, 2008, as approved by Agency Resolution No. 57-2008;

2. Ellis Act Housing Preference ("EAHP") certificate holders in conformance with both priorities listed above and the policies established for the EAHP program under OCII Resolution No. 64-2014 (August 5, 2014);

3. San Francisco residents or workers;

4. Members of the general public.

MOHCD recently approved a Displaced Tenant Preference ("DTP") and a Neighborhood Resident Housing Preference ("NRHP"). The Displaced Tenant Preference replaces but expands the EAHP. The new DTP covers tenants displaced by an Ellis Act eviction and tenants displaced by Owner Move In evictions. The new program offers priority to displaced tenants for 20% of available affordable units in most new City funded affordable housing developments. The NRHP aims to benefit residents living in the same neighborhood as projects containing City supported affordable housing units. To be eligible for the NRHP a resident or household must maintain a primary residence located within the same Supervisorial District as the affordable housing project or within a half mile buffer around the location of the project. This preference applies only to new residential developments going through initial lease-up or sales processes and is limited to 40% of the units in the development.

Since these new preferences were recently adopted by MOHCD, they will be brought to OCII's Commission for consideration at a future meeting. If adopted by the Commission, these marketing and occupancy preferences would precede San Francisco residents or workers and members of the general public in the order above.

In addition to marketing the units according to the above-stated preference groups the Developer will need to comply with OCII's marketing requirements detailed in Attachments 20-A through 20-D of the OP/DDA. Some of the key marketing requirements that the Developer must comply with include:

- *Submission of an Early Outreach Plan to OCII within 30 days after construction commences*
  Once OCII and MOHCD approve the Early Outreach Plan the Developer will begin the early outreach process and is required to provide OCII with monthly reports on their activities and progress. The OP/DDA *Attachment 20-A: Form of Early Outreach Plan* clearly stipulates that the Developer is required to partner with a qualified organization and/or consultant to assist with counseling interested potential BMR buyers, with specific emphasis on Certificate of Preference holders, regarding such topics as pre-purchase counseling workshops; budgeting and asset building; credit counseling; financial education; homebuyer application assistance and preparation; and fair housing rights. Within 3 months of construction start the Developer must provide OCII and MOHCD with its Early Outreach Plan marketing materials and MOHCD will complete the first of five information mailings to COP holders. At least 18 months prior to the initiation of marketing the Developer is required to begin notifying occupancy priority holders (i.e. any required preference holders plus any other parties as determined by OCII) with advance notice of the homeownership opportunities, and must include a description of the Project, income or other eligibility qualifications, and contact information of a Developer representative to answer any questions.

- *Submission of a Marketing Plan ("Marketing Plan") 12 months prior to the Developer's anticipated Temporary Certificate of Occupancy ("TCO")*
  A year prior to its targeted TCO date the Developer must provide OCII and MOHCD with a refined draft Marketing Plan. Once OCII and MOHCD complete their review of the draft Marketing Plan they will meet with the BMR unit sales agent and Access to Housing partner/consultant to review all marketing and lottery processes. OCII and MOHCD will approve the final Marketing Plan within 60 days of receiving the draft Marketing Plan. Seven months prior to TCO the Developer is required to provide OCII and MOHCD with any Marketing Plan updates to review and approve. Six months prior to TCO, Developer will implement the final Marketing Plan with oversight from OCII and MOHCD. The Developer is required to provide a minimum of 3 open houses, one of which must be on a weekday evening, a second on a weekend day, and a third at time to be determined by the Developer. The Developer will also provide staffing for an information session to be held at OCII/MOHCD's office at 1 S. Van Ness Ave, 5th floor.

The Developer is committed to marketing the BMR Units in accordance with OCII's protocols. This commitment is evidenced by the Developer's agreement to pay $52,000 to OCII or its designee for the purpose of hiring additional staff or contractors to aid in the marketing, pricing, and approval of buyers of the BMR Units. This additional staff or contractors will be solely dedicated to the sales of the BMR Units at Block 1.

Homeowners Dues Protections

In order to protect BMR homebuyers from excessive annual HOA dues increases and from excessive special assessments, the Project includes the following:

(1) The Developer has received preliminary approval of the HOA governance structure provided below from the California Bureau of Real Estate ("BRE") that provides for built-in protections for BMR homeowners (Final BRE approval is still required):

- The HOA governance structure and bylaws include a Master Homeowners Association ("Master HOA") and two sub-associations, one consisting of the Inclusionary Units and the units within the Affordable Project ("BMR HOA") and a second sub-association consisting of the market rate and retail units within the tower ("Market Rate HOA").

- The Master HOA will be responsible for operating and maintaining the Project.

- The Master HOA Board of Directors will consist of 5 members, three of which will be representatives from the Market Rate HOA, and two representatives from the BMR HOA.

- The Master HOA must approve all dues increases.

- Annual dues increases above 10% must be approved by a super-majority (4) of Master HOA Board members.

- Special Assessments which increase HOA dues above 5% must be approved by a majority of a quorum of owners of all units within the Project.

- Any changes made to the HOA by-laws that could affect protections to the BMR Units requires a separate majority vote of BOTH the BMR HOA and the Market Rate HOA.

(2) A $225,000 fund, provided by the Developer, will be designed to provide financial assistance to Block 1 BMR Unit owners should there be especially high HOA dues increases and/or special assessments ("HOA Dues Assistance Program").

Between the date of Commission approval and the initial occupancy of the Block 1 Project, the HOA Dues Assistance Program will be developed, including determining the entities which will administer the programs, and will require approval by the OCII Executive Director.

Proposed Owners Participation/Disposition and Development Agreement Terms

The OP/DDA contemplates a sole source sale of the OCII Parcel to the Developer due to the following:

- The proposed project, as an integrated development, will have a greater value, and produce more low and moderate income housing, than if the individual components were developed separately.

- The proposed project satisfies the Development Controls as amended.

- Development of the OCII Parcel as a stand-alone project would pose significant design and financial difficulties.

- The proposed project allows the Developer, as the owner of the adjacent Private Parcels, to redevelop its property into a substantially better project.

Furthermore, the Commission's consideration of the OP/DDA has been publicly noticed for two consecutive weeks, pursuant to California Health and Safety Code Section 33431. This notice is necessary since the Commission is considering the future sale of real property through the OP/DDA without a public bidding process.

The OP/DDA also includes the terms related to the sale of the OCII Parcel, development program, developer contributions, and policies, among other items. Following is a summary of the key terms of the OP/DDA:

- The purchase price of the OCII Parcel is $19,180,000 which is fair market value and is based on an August 2014 appraisal of the OCII Parcel commissioned by OCII. The purchase price shall not be paid by the Developer at close of escrow on the land, and instead the Developer will be required to apply these funds to the development of the 76 units in the Affordable Project;

- Within 10 days after Commission approval of the OP/DDA the Developer shall provide a good faith deposit in the amount of $2,000,000; which shall refunded when the Developer completes construction of the Project foundation;

- After close of escrow on the OCII Parcel by the Developer, and before completion of the Project foundation, should the Developer not meet the terms of the OP/DDA, including the commencement of construction date provided in the Schedule Of Performance (Attachment 5 of

the OP/DDA), OCII has the right to record a reversionary quitclaim deed, which would allow OCII to take title to the OCII Parcel at no cost to OCII.

- A maximum OCII subsidy of $19,180,000 (OCII Parcel price) for the OCII Affordable Project;
- Sale of the BMR Units pursuant to OCII's Limited Equity Program, in order to ensure the units will be permanently affordable;
- As described above, creation of a Master HOA responsible for all project operations and maintenance, a separate sub-homeowners association for the BMR Units, and another separate sub-homeowners association established for the market-rate units. The triad of homeowners associations provides representation by the BMR Unit owners on the Master HOA Board which controls dues increases and special assessments;
- Developer to provide a fund of $225,000 to assist BMR Unit owners with monthly HOA dues increases and special assessments;
- There will be 340 parking stalls provided within the Project. Owners of BMR Units may purchase the parking stalls for the lesser of one-half of the cost to the market rate owners or the operating cost. The parking ratio is one parking space per Inclusionary Unit, and 0.25 parking spaces per unit in the Affordable Project;
- Required participation in the Community Facilities District and Community Benefit District, both of which have previously been formed. Should the Developer not meet completion of construction by the date in the Schedule of Performance, the Developer has agreed to contribute the amount that would have otherwise been due under each district;
- Should the Developer not meet completion of construction by the date in the Schedule of Performance, the Developer must contribute the amount of property taxes that would have otherwise been due had construction been completed by the date specified;
- The OCII Executive Director may extend the dates in the Schedule of Performance for up to 12 months;
- Developer shall be responsible for paying all OCII staffing and third party costs related to the OP/DDA terms;
- Developer shall provide an active community liaison program for keeping residents informed about construction of the Project improvements, and compliance with all City noise ordinances and regulations;
- Compliance with OCII and MOHCD policies with regard to delivering and underwriting the affordable housing units; and
- Compliance with OCII policies, including the Certificate of Preference Program, Small Business Enterprise Program, Nondiscrimination in Contracts and Benefits, Minimum Compensation Policy, Healthcare Accountability Policy, Construction Workforce Agreement, Prevailing Wage Policy, Duty of Loyalty, and all insurance requirements set forth by OCII.

Schematic Design

The Developer has hired Studio Gang Architects as its lead design architect for the project, and San Francisco-based Barcelon Jang and Perry Architects as associate architects (together, the "Design Team"). The Schematic Design is attached to this Memorandum as Attachment 1. The design features a 39-story tower and adjacent four-story townhome building, two podium structures of 85 feet and 65 feet in height, and 6,898 square feet of common open space, constructed over a three-level subterranean garage with parking for 150 bicycles and 340 cars.

The ground floor of the podium and tower buildings will include 10,210 square feet of neighborhood-serving retail uses, fronting on all four streets, but with a concentrated focus of retail establishments lining Folsom Street. Since the Schematic Design proposes the construction of one-story of private amenities space on the ground floor, covering the mid-block open space parcel, and placing the central courtyard open space on the roof of the ground floor structure, the Development Controls require that an expanded amount of commercial uses be provided on the ground floor equivalent to the square footage of the open space parcel. As a result, the Developer must provide a minimum of 10,210 square feet of neighborhood serving ground-floor retail space to justify the placement of the central courtyard on the roof of a ground-floor structure.

Inspired by the tradition of the bay window in San Francisco and Bay Area residential design, the Design Team has incorporated it as a principal element in the design of each of the Project's components. The Design Team desired to contrast the sleek, glass-extruded, residential towers that have become a more common design language in the contemporary, high-rise residences, in the neighborhood. The Design Team explored how the bay window might be re-imagined and deployed as a beneficial architectural expression to complement high-rise living. With this in mind, the tower design introduces the "migrating bay," a rotated stack of bay window articulations with a slight offset on each floor, repeated every ten stories, that produces a unique spiraling effect to the tower. The resulting, textured exterior improves views and natural light for the units and allows for the seamless integration of balconies.

Additionally, each tower bay is designed to perform multiple functions for the building. Fabricated as a self-supporting structural floor, wall, and roof enclosure, and formed by a single piece of bent aluminum, the metal panel system creates a seamless and machined exterior. These monolithic, migrating bays allow for the precision of offsite fabrication, while fully insulating the dwelling units, minimizing the potential for air and water intrusion, allowing for efficient and rapid installation, and providing a resilient, attractive, and unique cladding system.

While the migrating bays create a consistent pattern across the facade, each vertical stack is clad according to its function, utilizing solid panels, vision glass, and aluminum spandrel panels. This strategy works to optimize the building's energy performance, with solid-to-glass ratios varying across room types. For instance, living rooms have more vision glazing to emphasize city and bay views, while bedrooms use more opaque façade in the glazing band to provide privacy. Each tower floor has six balcony bays with areas ranging from 76 to 98 square feet, depending on where they fit within the migrating bay sequence. These balconies provide private open space for 198 units. Balcony railings will be made of glass and include a bird-safe, ceramic frit.

The typical tower floor plate is 10,994 square feet with an aspect ratio of 1:1.13 and a maximum dimension of 120 feet, in accordance with floor plate dimension and bulk requirements in the Development Controls.

The podium and townhome massing are driven by a unique one-bedroom unit design. In order to maximize the parking and structural efficiency, typical in-line units have 19'-0" of frontage on the street. However, simply subdividing that space between living rooms and bedrooms into 9'-6" modules would create living spaces that are too narrow to be functional. To solve this problem, the one-bedroom units at Block 1 employ interlocking living rooms and bedrooms that together provide overall widths of 14'-0" and 12'-0" by disproportionately dividing the overall street frontage. Living rooms project out into bay windows to gather light from two directions and provide views up and down Folsom, Main, and Clementina Streets. Bedroom windows are set back into niches, to provide additional privacy from the adjacent bays while affording appropriately generous light and ventilation. This interlocking one-bedroom concept is deployed for all in-line units, leaving greater square footage at the corners for flexible two- and three-bedroom units.

In contrast to the tower's sleek, monolithic 3D panels, the podium and townhomes employ a materiality that is better suited to their smaller urban scale. The podium building is conceived as the intersection of two distinct masses, one containing the projecting living room bays, clad in roughly 2'-0" by 6'-0" aluminum composite panels, and the other containing the recessed bedroom bays, clad in corrugated aluminum. In contrast to the gray aluminum and green glass of the immediate existing buildings across Folsom Street, the podium's sienna color and neutral glass add a richness through difference to the development area, while creating an architectural dialogue with a number of brick buildings that form the original urban fabric in the surrounding South of Market neighborhood.

The Project's smallest component, the four-story townhome building, employs iron spot brick at the ground floor and within the bedroom recesses, with textured cementitious panels at the projecting bays of the living rooms. The stoops and bay window soffits are clad in wood. These materials demonstrate a tactility and module size that are suited to the pedestrian experience of Clementina Street. There is an intentional increase in the material module size at the eight-story podium, in proportion with the overall size of the massing and associated community, and likewise at the 39-story tower, where the bays themselves become a customized, modular unit of the tower's construction.

Included as Attachment 3 are the Conditions of Approval for the Project. Although OCII staff recommends approval of the Schematic Design, the ultimate quality of the exterior of the podium and townhome buildings will be determined by the quality, color, and texture of the exterior materials, which is a primary focus of the Conditions of Approval. In addition, the Conditions of Approval address landscape and pedestrian access along the future Clementina Street, OCII requirements related to interior specifications in the BMR units and the OCII approval process for changing specifications, and other standard OCII Conditions related to Project signage, loading, and mitigation monitoring.

Open Space

Block 1 is the easternmost block of the Project Area and is an opportune linkage between Transbay Park, the Embarcadero and the San Francisco Bay. The Block 1 open space plan creates linkages through the urban landscape by creating green pedestrian pathways between the streets and adjacent open spaces and the central courtyard, which include the provision of avian and insect habitat, water conservation strategies and vegetated roofs and common open spaces on the Block 1 site. The shared design language between the Project's buildings

and landscaping includes a commonality of materials, a focus on texture and tactility, and an angular and faceted, non-orthogonal, straight-line geometry.

Streetscapes

In compliance with the Folsom Street Schematic Design and the Streetscape and Open Space Plan, the Developer will provide substantial streetscape improvements on all four streets that frame the site: Folsom, Spear, Main and Clementina.

Folsom Street will serve as the "neighborhood main street" of the Project Area, and, pursuant to the Folsom Street Schematic Design, will include broad sidewalks, a double row of street trees on the north side, and dedicated space for seating, site amenities and storm water rain gardens. The rhythm of the street is established by bands of granite pavers that unite the building façade and the tree spacing. The trees frame a broad walking zone in the middle of the sidewalk as well as seating areas with moveable furnishings adjacent to the retail frontages.

Main and Spear Streets will have a distinct character as "linear park streets" creating a greenbelt with connectivity to the new Transbay Park as well as to other surrounding opens spaces.

Clementina Street will be an extension of the so-named South of Market alley street. It will be improved as a pedestrian-oriented right-of-way and serve as an important east-west pedestrian connector across the neighborhood and provide vehicular access to Block 1's loading area.

The unit mix for the Project is detailed in the table below:

Unit Type	Studios	One-Bdrm	Two-Bdrm	Three-Bdrm	Penthouse	Total	% of Total
Market Rate Condos	5	39	156	17	18	235	60%
Inclusionary Condos	0	30	45	5	0	80	21%
Affordable Project Condos	0	42	19	15	0	76	19%
Total	5	111	220	37	18	391	100%
% of Total	1%	29%	56%	9%	5%	100%	

Variation for Sidewalk Projections

The Development Controls allow for sidewalk encroachments, including overhead projections, such as bay windows. The dimensional requirements of the bay windows must comply with Planning Code Section 136, which allows for maximum three-foot encroachments over the sidewalk with widths no greater than 15 feet at the building façade and no greater than nine feet at the far edge of the projection. This control provides dimensional features that mirror the typical, vernacular architectural form of San Francisco's bay windows. The Schematic Design for the Project proposes the construction of 391 dwelling units, of which, 156, or 40% of the total, are BMR

units, and of which, 257 have two or three bedrooms, intended for multi-member family households. To provide adequate living area and bedroom count among the units, the Developer has devised the migrating bay construction scheme that stacks unit types with ten different bay window module geometries. The migrating bays feature results in a varied and non-uniform application of bay window dimensions that range from strict adherence to Planning Code Section 136 dimensional requirements to a maximum projection of 4'-6" located over the townhome walkways, where a 3-foot projection would be the maximum permitted, and to a maximum bay window width of 24'-2" at the corner of Folsom and Main Streets, where a 15-foot maximum width would be permitted.

Adherence to Planning Code Section 136 dimensional requirements would disallow the Schematic Design's chief design feature of migrating bays, and would prevent the construction scheme of stacked unit types, thereby reducing the size of unit living spaces and the number of habitable bedrooms. Compliance with Planning Code Section 136 dimensional requirements would disallow the Schematic Design's chief design feature of migrating bays, which vary in length, shape and placement to provide a swiveling form on building facades, unlike the rigid, formulaic application of bay windows established by Planning Code Section 136.

The extension of bay window projections to a maximum of 4'-6" and the enlargement of bay window widths to a maximum of 24'-2", require the Commission to grant a variation to the Development Controls projection-encroachment-over-sidewalks dimensional requirements.

OCII has found that the projection encroachments as presented in the Schematic Design for Block 1 do not substantively impede upon pedestrian views or views from adjacent properties, and are in harmony with the Redevelopment Plan, the Transbay Design for Development and the Development Controls. Staff recommends Commission approval of the variation.

Parking

The Developer is proposing to provide 340 parking spaces within a three level underground garage. The space count was determined utilizing a 1:1 parking ratio for the 315 units in the tower and a 0.25:1 parking ratio for the 76 units in the Affordable Project. These parking ratios are consistent with the ratios for the other Transbay projects. Of the 340 parking spaces, ten spaces will be for EV charging stations, six will be for car share, and eight will be accessible. As required by OCII, all of the parking spaces will be unbundled, meaning that a deeded parking space is not connected to the purchase of a condominium. The parking spaces may be purchased by project owners. Specifically, owners of the affordable units may purchase the parking stalls for the lesser of one-half of the cost to the market rate owners or the operating cost.

As is typical, there remain a number of detailed issues that must be resolved in subsequent design stages (i.e., design development or construction documents). Staff recommends the conditions of approval listed in Attachment 3, and approval of the Schematic Design subject to these conditions.

Development Controls and Design Guidelines Amendment

On January 19, 2016, the Commission approved the Amendment to the Redevelopment Plan to increase the maximum height limit on the tower parcel on Block 1 from 300 feet to 400 feet. The Amendment was approved by the Board of Supervisors on April 26, 2016, and will become effective in July 2016. Accordingly, OCII staff recommends an amendment to the Development Controls to change the height range on the tower parcel of

Guidelines Section 15162, are not present. An addendum documents the assessment and determination that the modified project is within the scope of the FEIS/EIR and no additional environmental review is required.

Under the Block 1 Project, the only substantive modification to the originally proposed project that was not previously studied in the FEIS/EIR is the Block 1 maximum height limit change from 300 feet to 400 feet. Therefore, the only CEQA topics requiring additional evaluation were those for which impacts could worsen due to additional building height. These topics included wind and shadow. All other features of the Block 1 Project, including demolition, land use types, building square footage, retail square footage, and number of dwelling units, would be consistent with the FEIS/EIR.

Accordingly, OCII, in consultation with the Planning Department, prepared the Addendum to the FEIS/EIR dated January 14, 2016 focusing on wind and shadow, and, while not required by CEQA, included discussions of aesthetics and transportation. The Addendum determined that the proposed project on Block 1 would not cause new significant impacts not identified in the FEIS/EIR, nor would the project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe. No new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the proposed project that would cause significant environmental impacts to which the project would contribute considerably, and no new information has become available that shows that the project would cause significant environmental impacts. Therefore, the analyses conducted and the conclusions reached in the Final FEIS/EIR certified on April 22, 2004 remain valid and no supplemental environmental review is required beyond the Addendum. The FEIS/EIR findings and statement of overriding considerations adopted in accordance with CEQA by the Former Agency Commission by Resolution No. 11-2005 dated January 25, 2005 were and remain adequate, accurate and objective. On January 19, 2016, the Commission approved the Plan Amendment to increase the maximum height of Block 1 to 400 feet, and with that approval, made environmental findings in support of the proposed project on Block 1, as reported in the Addendum, pursuant to CEQA. The proposed project on Block 1, as described in the Addendum, differs from the Block 1 Project and the OP/DDA in that the amount of retail space has increased from 9,126 square feet to 10,210 square feet, and the number of parking spaces has increased from 334 to 340. The increase in retail space falls well under the amount of retail space studied int the FEIS/EIR, which studied the impacts on the environment of 34,900 square feet of retail on Block 1. Six additional parking spaces could be classified as de minimis, and, in San Francisco, the provision or non-provision of parking is not currently treated in CEQA analyses as producing an environmental impact. The Final EIS/EIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. The Block 1 OP/DDA is an undertaking pursuant to and in furtherance of the Redevelopment Plan in conformance with CEQA Sections 15180 and 15168 (the "Implementing Action").

Staff has reviewed the OP/DDA and related actions for Block 1 and has considered and reviewed the FEIS/EIR and addenda and finds the proposed action is an Implementing Action and within the scope of the Project analyzed in the FEIS/EIR and subsequent addenda and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180 and 15168. The FEIS/EIR and addenda are available for review at OCII's offices.

Staff recommends the Conditions of Approval listed in Attachment 3.

NEXT STEPS

Upon approval by the Commission, staff will next seek the approval of the Board on the disposition of the site as required by the Transbay Redevelopment Plan. The purpose of the Board review is to determine that the sales price is not less than fair market value and make findings consistent with Section 33433 of the California Health and Safety Code.

Staff anticipates that the Board will take action on this matter in summer, 2016. It is anticipated that the close of escrow for the sale of the property will take place by the end of 2016. The DDA's Schedule of Performance requires that construction commence before April, 2017 and be complete by March, 2021.

(Originated by Shane Hart, Project Manager Transbay)

Tiffany Bohee
Executive Director

Attachment 1: Schematic Designs
Attachment 2: Owner Participation/Disposition and Development Agreement
Attachment 3: Conditions of Approval
Attachment 4: Consulting Summary
Attachment 5: SBE Consultant Biographies



TRANSBAY BLOCK 1

SCHEMATIC DESIGN REPORT
JUNE 13th, 2016

160 FOLSOM ST.
SAN FRANCISCO, CA 94105

Owner

TISHMAN SPEYER

Architect

STUDIO/
GANG
/ARCHITECTS

Structural Engineer

MAGNUSSON
KLEMENCIC
ASSOCIATES
Structural + Civil Engineers

Landscape Architect

INTERSTICE ARCHITECTS

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06 STRUCTURAL NARRATIVE

06.1 STRUCTURAL NARRATIVE



Prepared for: San Francisco
Office of Community Investment
and Infrastructure (OCII)

July 30, 2014
updated October 08, 2015
updated December 07, 2015
updated December 21, 2015
updated March 09, 2016
updated April 13, 2016
updated April 22, 2016
updated May 3, 2016
updated May 5, 2016
updated June 13, 2016

01 PROJECT DESCRIPTION

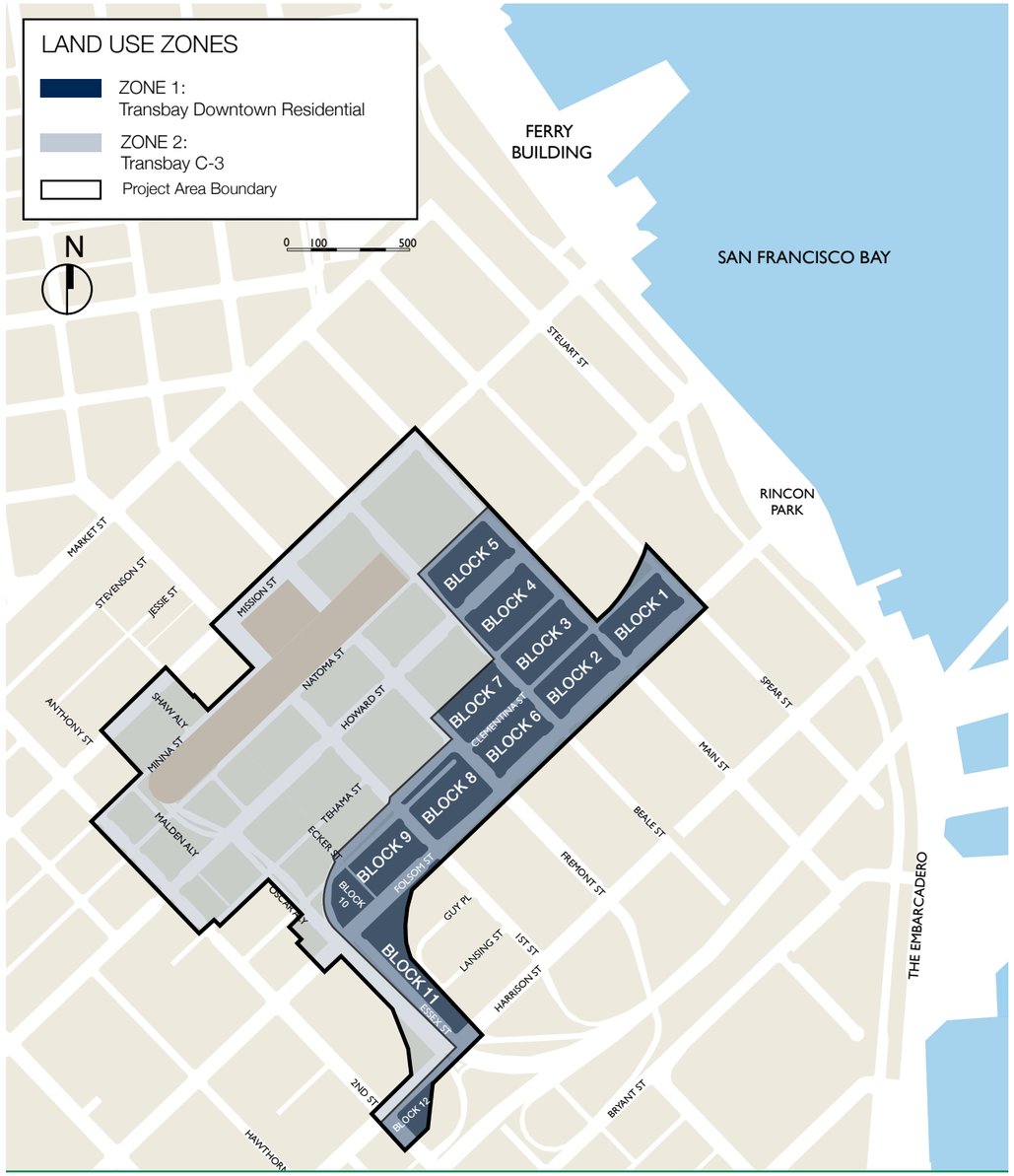
01.1 GENERAL DESCRIPTION

Address: 160 Folsom St.
San Francisco, CA 94105

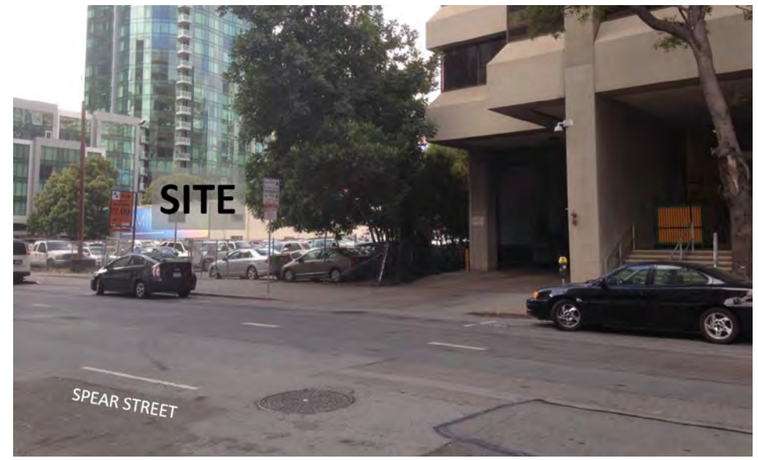
160 Folsom St. occupies Block 1 on the eastern periphery of the Transbay Redevelopment District, on Folsom St. between Main and Spear St. The site will connect to the overall Transbay masterplan via the tree-lined Folsom St. boulevard to the South and the small scale, pedestrian-friendly Clementina St. to the North. Three levels of valet parking will be provided below ground to serve residents of 160 Folsom.

The Project is comprised of approximately 391 residential units and 10,210 square feet of neighborhood retail over a three-level subterranean parking structure. The design features a 39-story tower, and two townhome/podium structure buildings (eight-story podium and four-story townhome buildings) with a central courtyard, and a roof deck accessible to all residents.

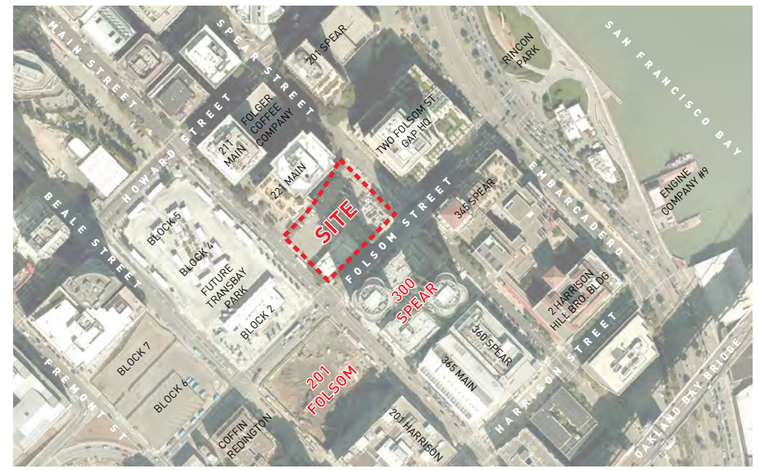
The Project's residential program includes 235 for-sale market rate condominiums and 156 below market rate (BMR) condominiums serving households earning up to 50% AMI pursuant to the City and County of San Francisco's Mayor's Office of Housing & Community Development ("MOHCD") guidelines.



Transbay Zones 1 and 2

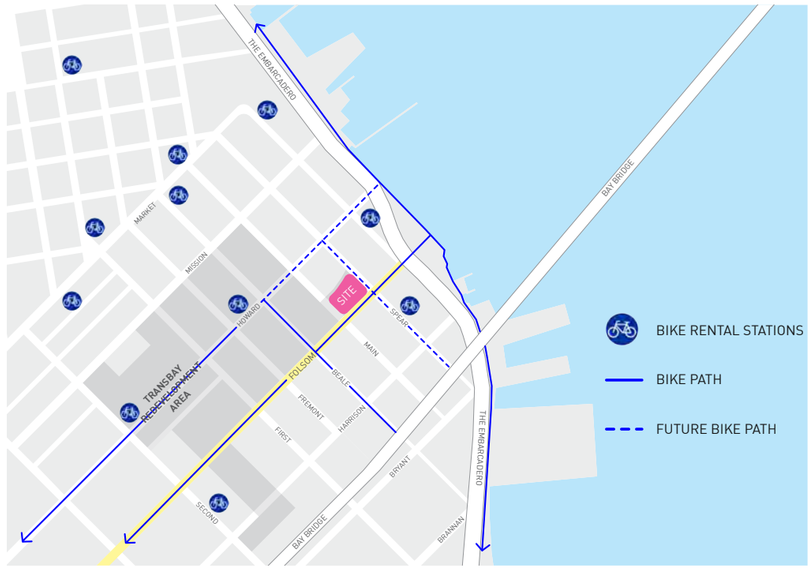


View of Block 1 site looking South on Spear St.

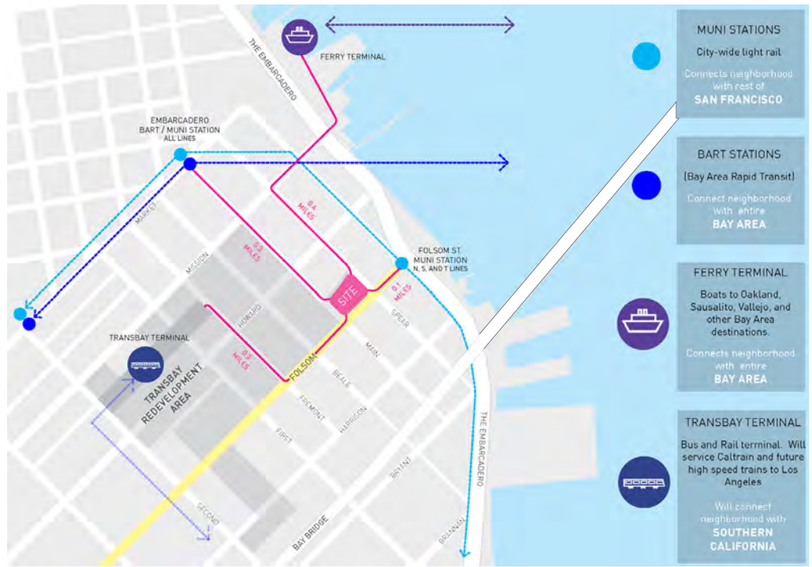


Block 1 site boundary

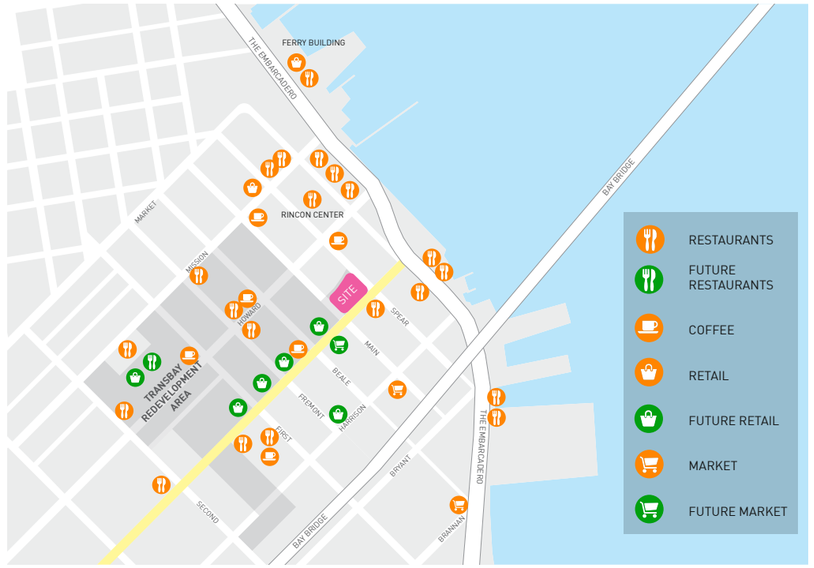
01.2 TRANSPORTATION & VICINITY PLANS



Bicycle Paths and Rental Stations



Public Transportation



Retail Vicinity

01.3 FACTS AND FIGURES



SITE PLAN
1" = 50'-0"

TYPE	UNITS	%	NSF	GSF
MARKET RATE CONDOS	235	60.1%	307,865	400,307
INCLUSIONARY BMR CONDOS	80	20.5%	63,426	74,169
OCII AFFORDABLE BMR CONDOS	76	19.4%	58,273	74,344
RETAIL	-	-	10,210	10,210
RENTABLE STORAGE	-	-	1,560	1,560
PARKING				138,054
TOTALS	**391**	**100.0%**	**441,334**	**698,644**

MARKET RATE CONDOS		
STUDIOS	5	2.1%
1 BEDROOM	39	16.6%
2 BEDROOM	156	66.4%
3 BEDROOM	17	7.2%
PENTHOUSE	18	7.7%
TOTALS	**235**	**100.0 %**

INCLUSIONARY BMR CONDOS		
1 BEDROOM	30	37.5%
2 BEDROOM	45	56.3%
3 BEDROOM	5	6.3%
TOTALS	**80**	**100.0%**

OCII AFFORDABLE BMR CONDOS		
1 BEDROOM	42	55.3%
2 BEDROOM	19	25.0%
3 BEDROOM	15	19.7%
TOTALS	**76**	**100.0%**

3,180 SF OPEN SPACE
SEE SECTION 01.6

340 CAR PARKING SPACES
SEE SECTION 01.7

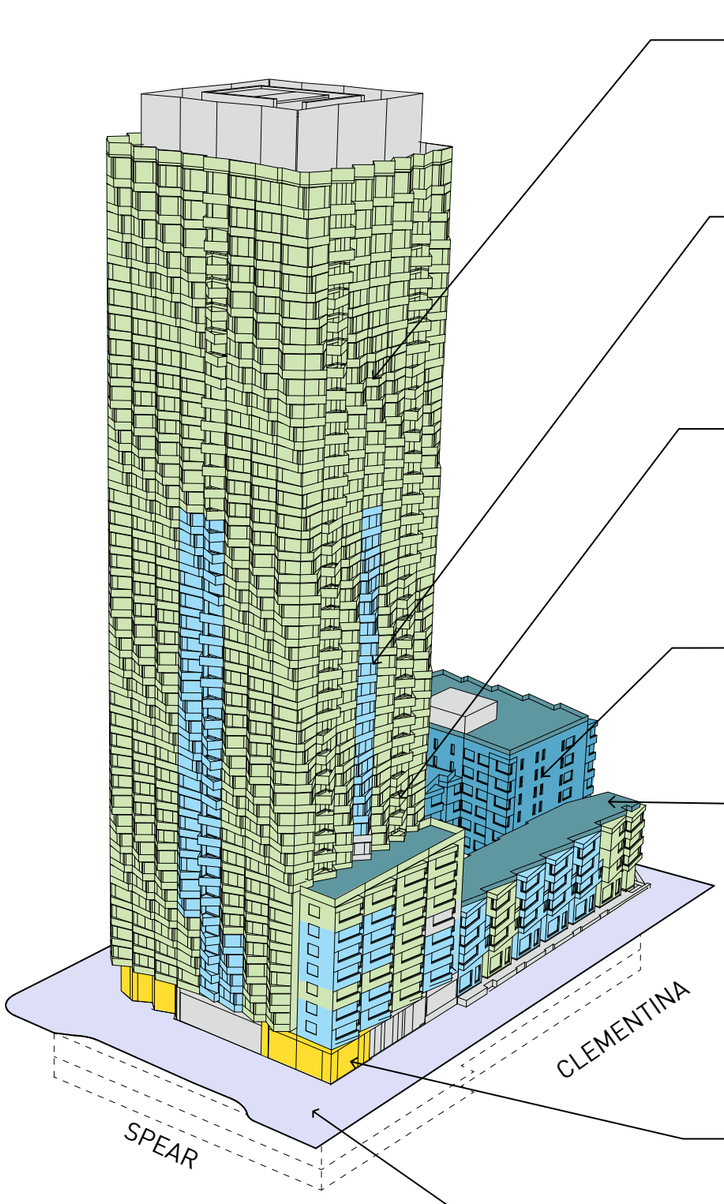
150 BIKE PARKING SPACES
12 BICYCLE PARKING SPACES MIN. REQUIRED BY TRANSBAY DCDG
1 ADDITIONAL SPACE PER EVERY 4 UNITS REQUIRED

391 / 4 = 98 SPACES
+ 12 SPACES MIN.
110 BICYCLE PARKING SPACES REQUIRED
150 BICYCLE PARKING SPACES PROVIDED
SEE SECTION 03.2 FOR DETAILS

01.4 UNIT MIX DIAGRAMS

VIEW FROM NORTH EAST

VIEW FROM SOUTH WEST



RESIDENTIAL TOWER AND TOWNHOMES
315 TOTAL UNITS
474,476 GSF

MARKET RATE PROJECT
TOWER + TOWNHOMES
235 UNITS
LEVELS 02-PH (TOWER)
LEVELS 01-04 (TOWNHOMES)

DEVELOPER INCLUSIONARY PROJECT
TOWER + TOWNHOMES
80 UNITS
LEVELS 02-26 (TOWER)
LEVELS 01-04 (TOWNHOMES)

BALCONIES (PRIVATE OPEN SPACE)
198 TOTAL BALCONIES

PODIUM BUILDINGS (PODIUM 1: 65-FOOT & PODIUM 2: 85-FOOT)
76 TOTAL UNITS
74,344 GSF

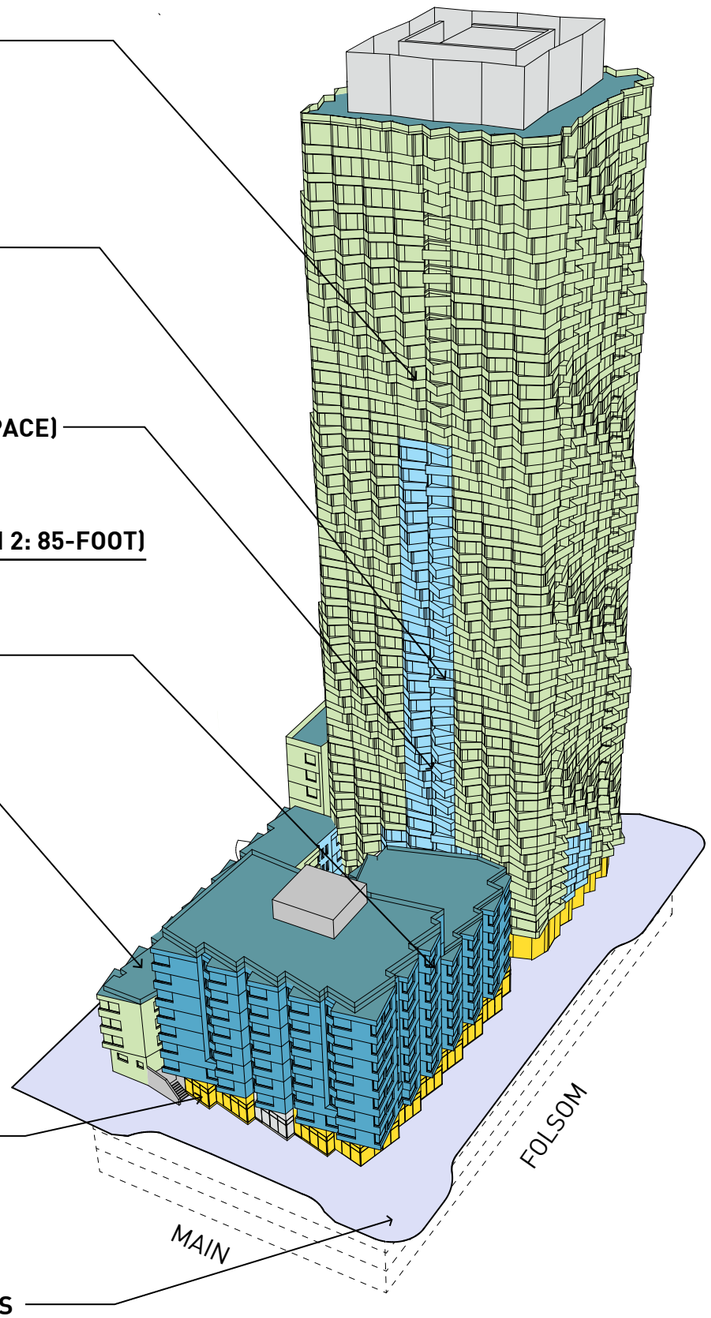
OCII AFFORDABLE PROJECT
PODIUM
76 UNITS
LEVELS 02-08

SHARED AMENITITES AND OPEN SPACE
3,180SF ROOF TERRACE
3,718SF COURTYARD

SHARED UNDERGROUND PARKING GARAGE
3 LEVELS
150 BIKE PARKING SPACES
340 VEHICULAR SPACES
138,054 GSF

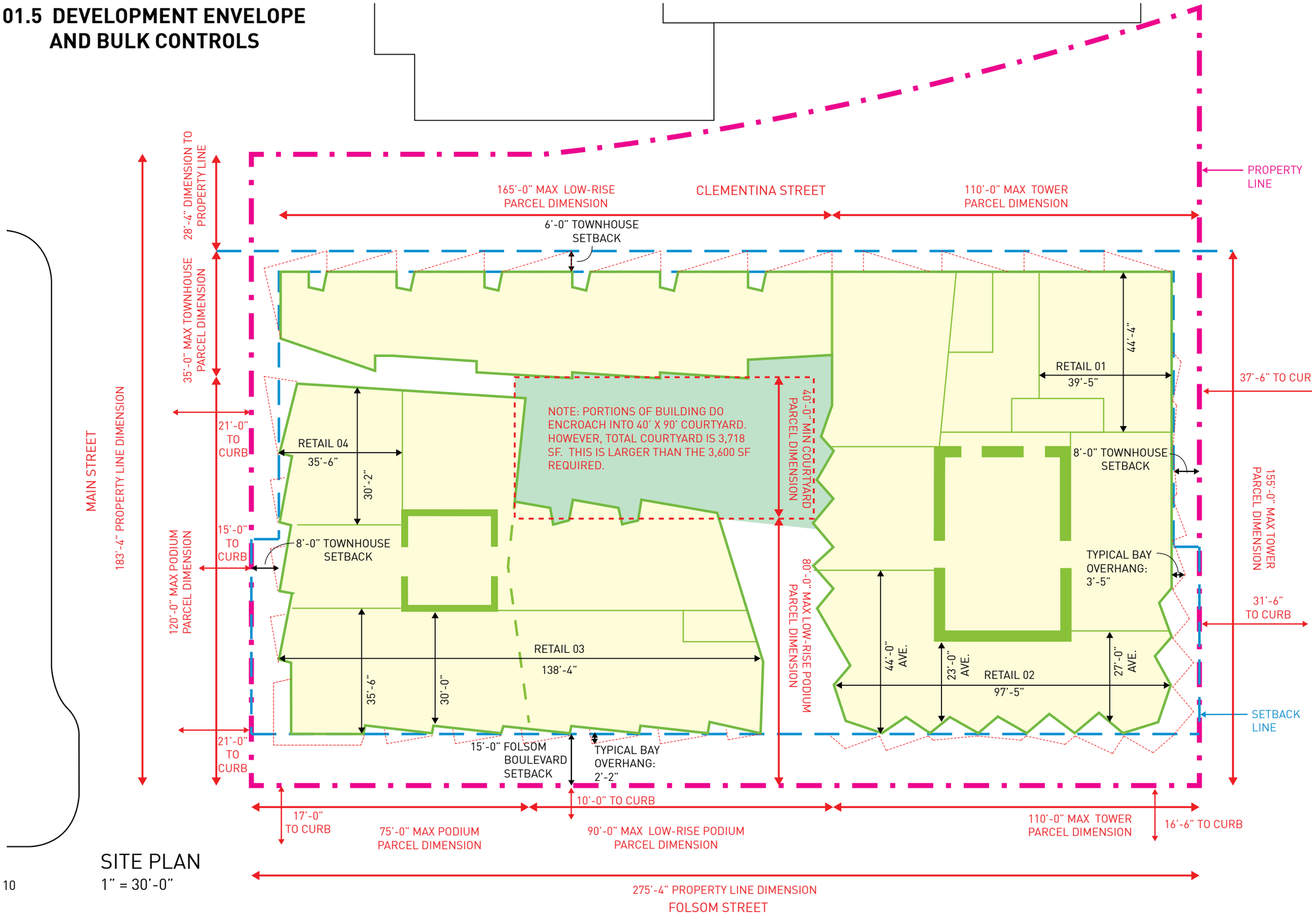
GROUND FLOOR RETAIL
TOWER + PODIUM
4 SPACES
LEVEL 01
10,200 GSF

STREETSCAPE IMPROVEMENTS



- MARKET RATE
- INCLUSIONARY BMR
- OCII AFFORDABLE BMR
- RETAIL
- STREETSCAPE IMPROVEMENTS

01.5 DEVELOPMENT ENVELOPE AND BULK CONTROLS



SITE PLAN
1" = 30'-0"

Bulk Controls

The design for Block 1 fully adheres to the setbacks and parcel dimensions outlined in the Transbay Guidelines. The proposal includes a 15'-0" Folsom Boulevard setback to the south, 8'-0" Townhouse setbacks on Spear and Main Streets and a 6'-0" Townhouse setback on Clementina.

The typical tower floor plate is 10,994sf with an aspect ratio of 1:1.13 (max allowable 1:1.3) and a max dimension of 120'-0" (max allowable 120'-0") in accordance with floor plate dimension requirements in the Transbay DCDG.

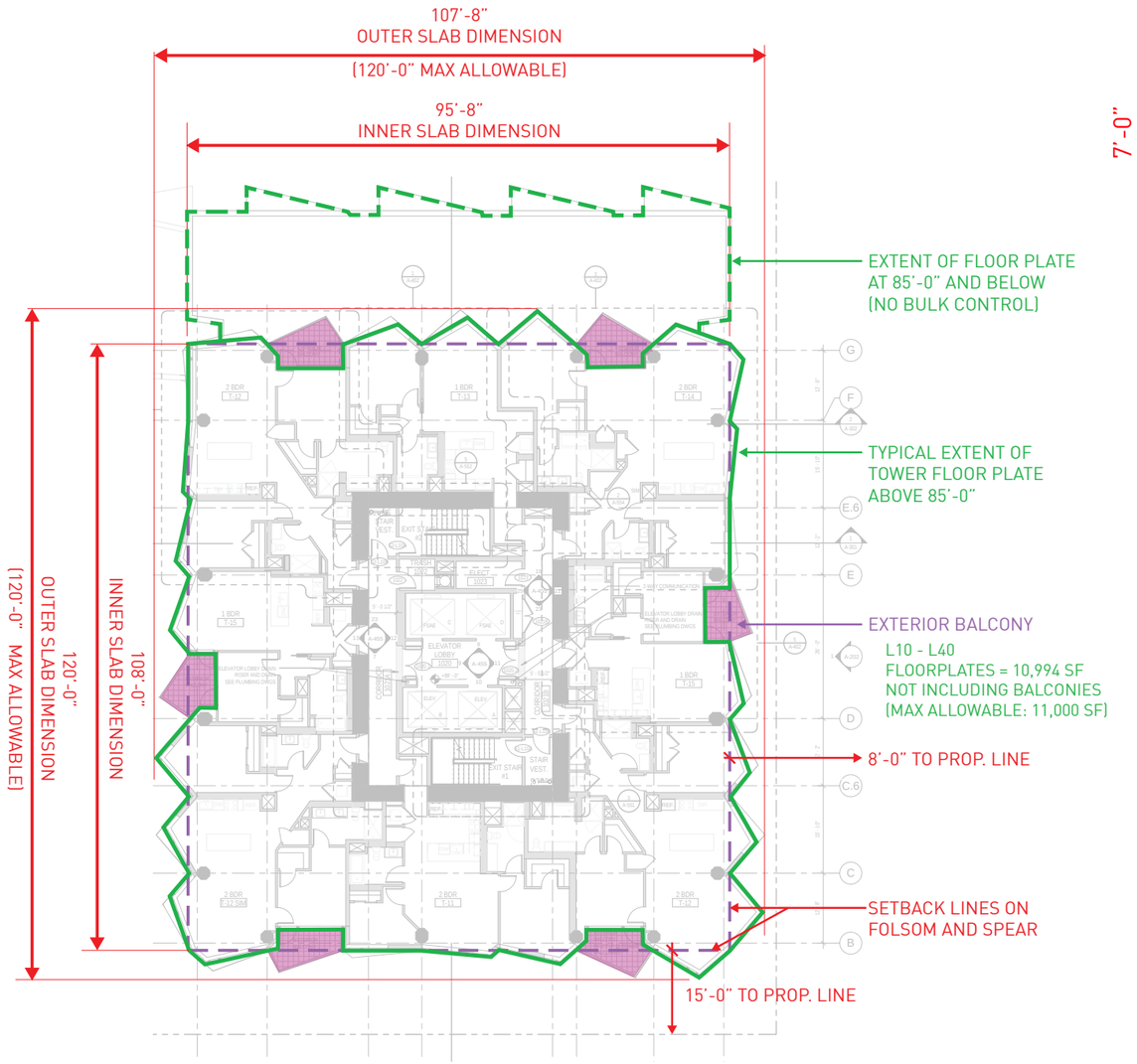
Tower floors have six balcony bays ranging in area from 76sf to 98sf. These balconies provide private open space for 198 units. The extent of public open space is outlined in the next section. Balcony railings will be made of glass and will include bird safe frit.

ASPECT RATIO CALCULATIONS:

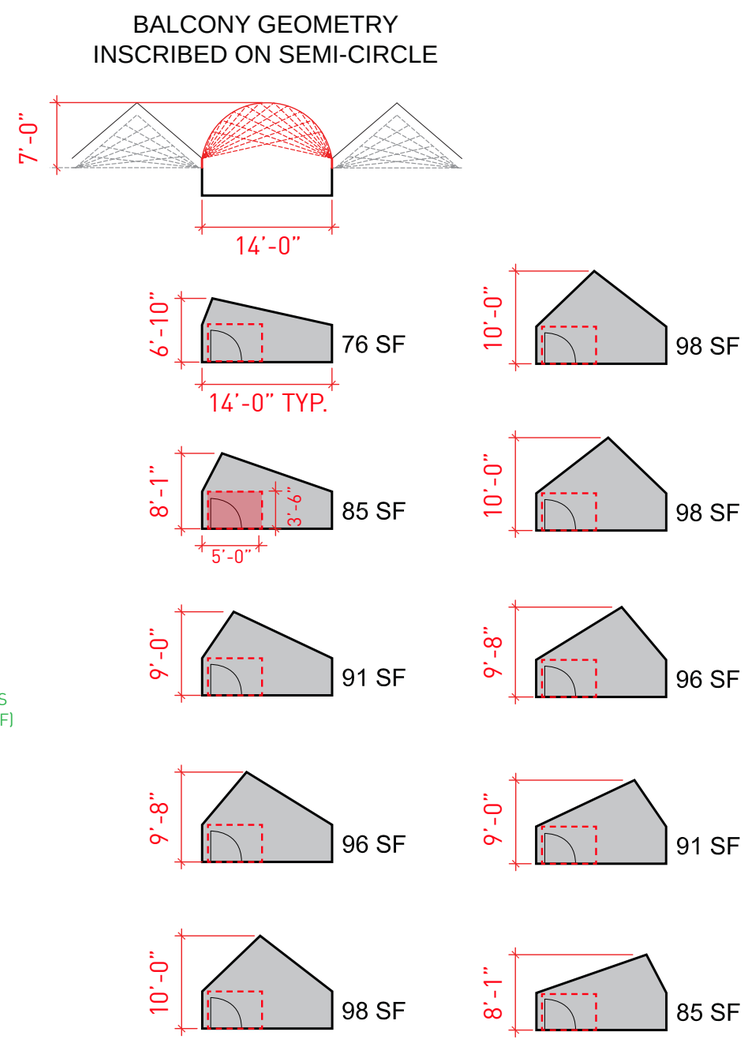
Inner Slab Dimension:
95'-8":108'-0" = 1:1.13

Outer Slab Dimension:
107'-8":120'-0" = 1:1.11

Max Allowable Aspect Ratio
for 400ft Building Per DCDG = 1:1.3



TYPICAL FLOOR PLAN (LEVEL 10)
1" = 30'-0"



TOWER BALCONY VARIATIONS

01.6 OPEN SPACE

OPEN SPACE REQUIRED

391 TOTAL RESIDENTIAL UNITS

198 UNITS PROVIDED W/ PRIVATE OPEN SPACE

391-198 = 193 UNITS REQUIRE COMMON OPEN SPACE

REQUIRED COMMON OPEN SPACE:
= 193 x 16sf PER UNIT = 3,088sf

OPEN SPACE PROVIDED

L05 ROOF DECK AMENITY SPACE
= 3,180sf > 3,088sf
*L05 open space to incorporates screened mech. units

COURTYARD OPEN SPACE

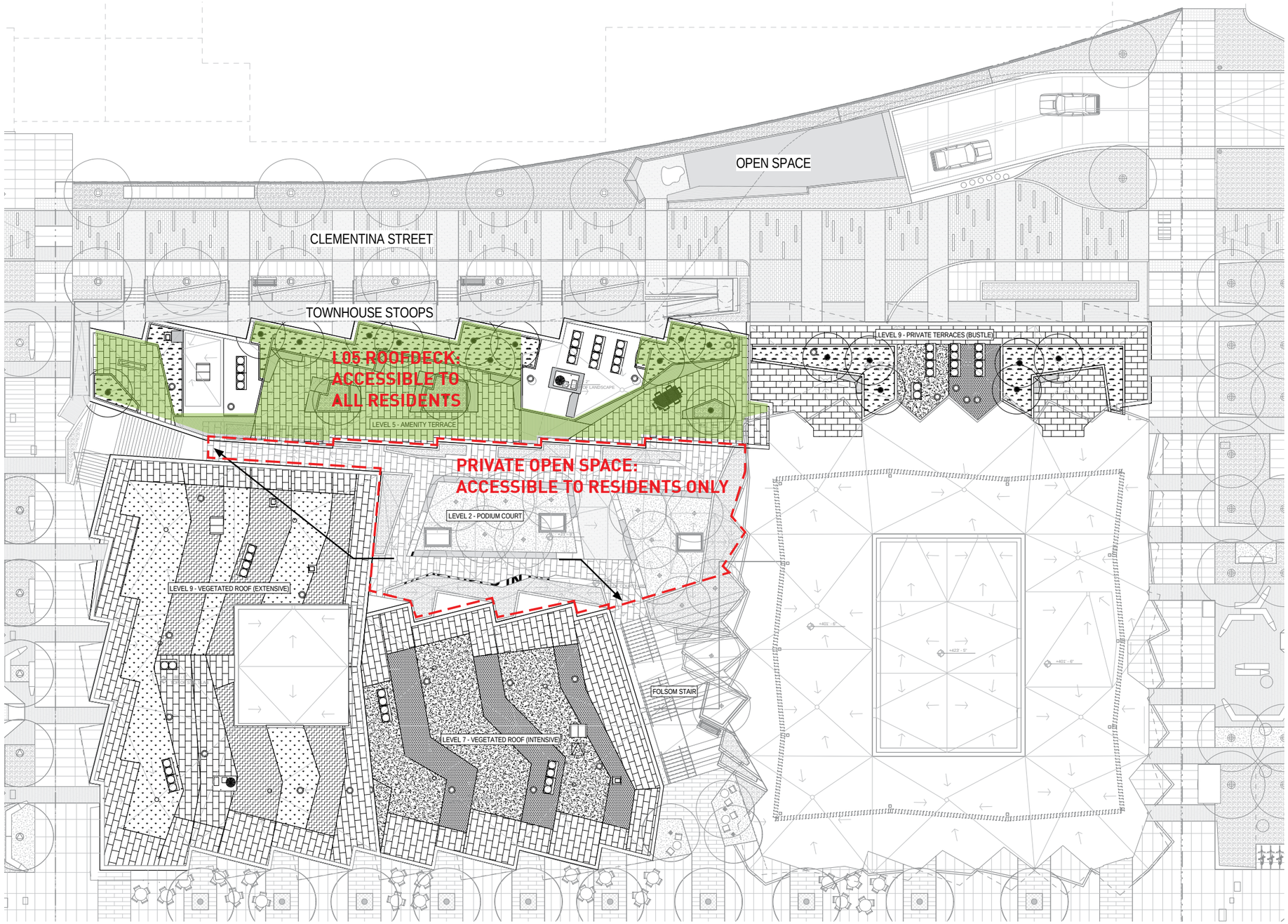
COURTYARD OPEN SPACE REQUIRED
40ft x 90ft = 3,600sf

COURTYARD OPEN SPACE PROVIDED
= 3,718sf

NOTES:
1. All private open space meets the required 36sf. See pg. 11 of this packet for balcony compliance

2. All shared open spaces have a 15ft min dimension in accordance with pg. 34 of the DCDG

3.Courtyard open space is not calculated into required open space



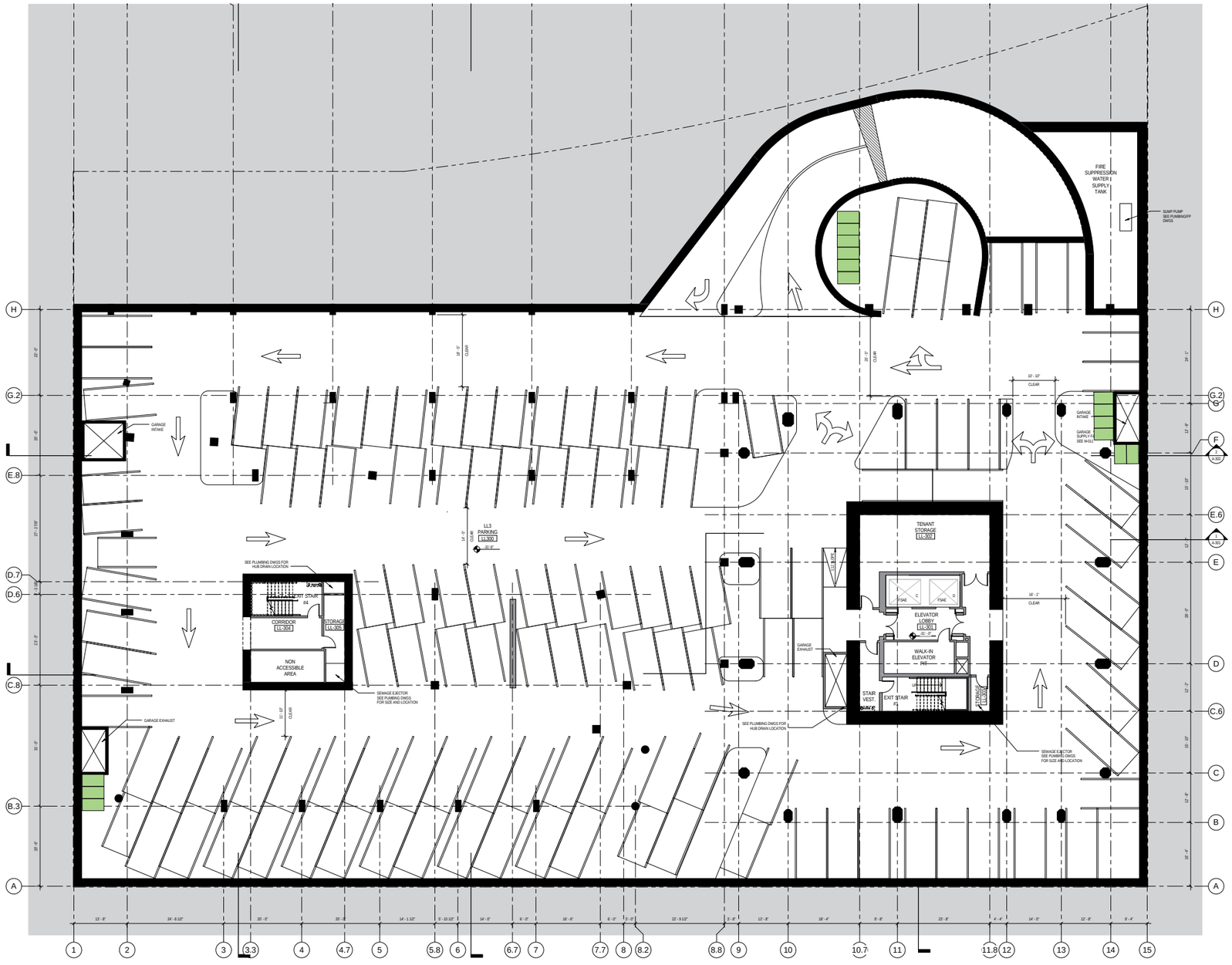
SITE PLAN
1" = 30'-0"

01.7 UTILITY PLAN



SITE PLAN
1" = 30'-0"

01.8 AREA PLANS

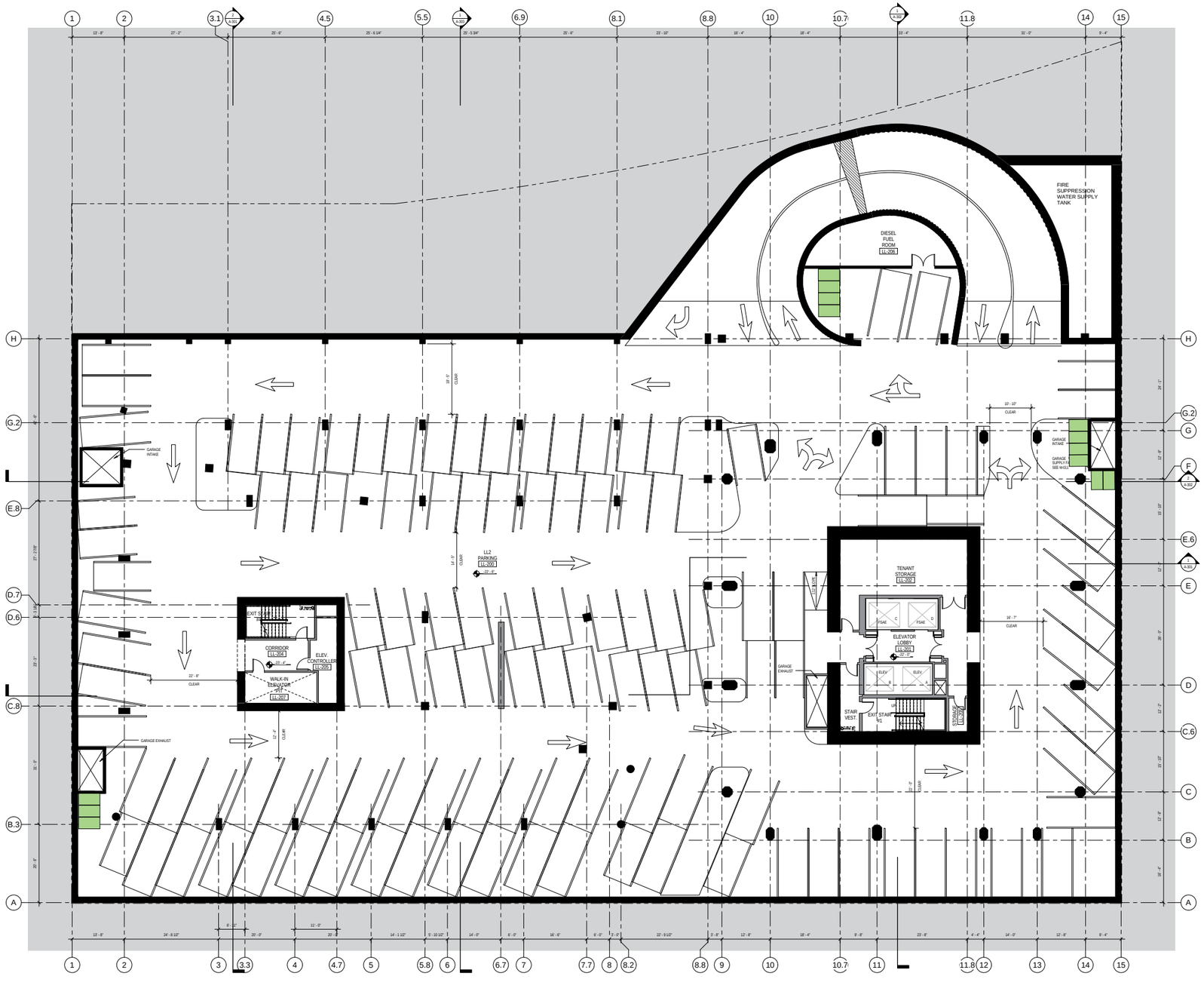


LOWER LEVEL 03 PLAN
1" = 30'-0"

BIKE STORAGE

PARKING COUNT MATRIX

	ACCESSIBLE	PARKING	**TOTAL**
LL1	8	72*	80
LL2	0	129	129
LL3	0	131	131
TOTAL	8	332	**340**

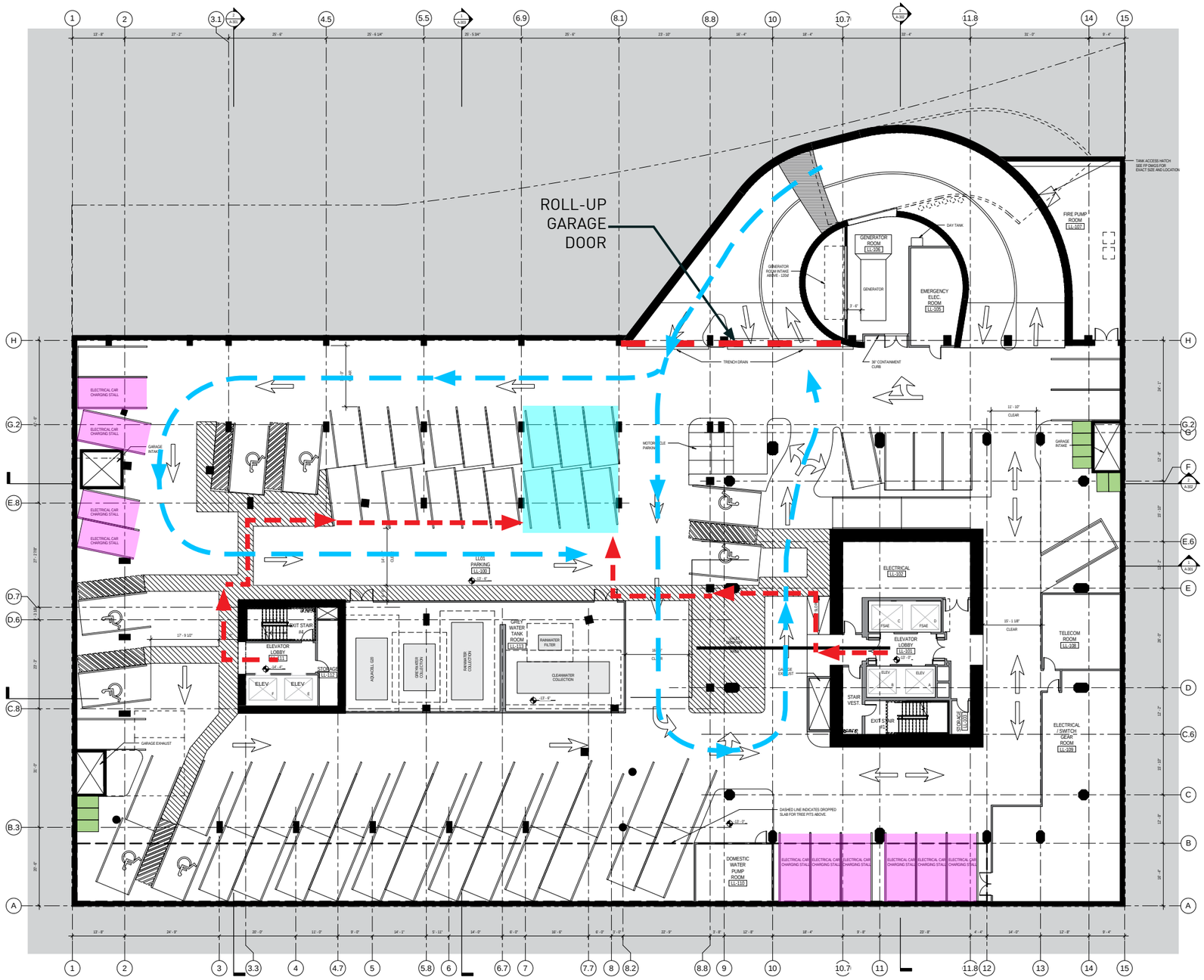


LOWER LEVEL 02 PLAN
1" = 30'-0"

BIKE STORAGE

PARKING COUNT MATRIX

	ACCESSIBLE	PARKING	**TOTAL**
LL1	8	72*	80
LL2	0	129	129
LL3	0	131	131
TOTAL	8	332	**340**



LOWER LEVEL 01 PLAN

1" = 30'-0"

10 X ELECTRIC VEHICLE CHARGING STATIONS

6 X CAR SHARE STALLS

*ACCESS TO CAR SHARE THROUGH CORES

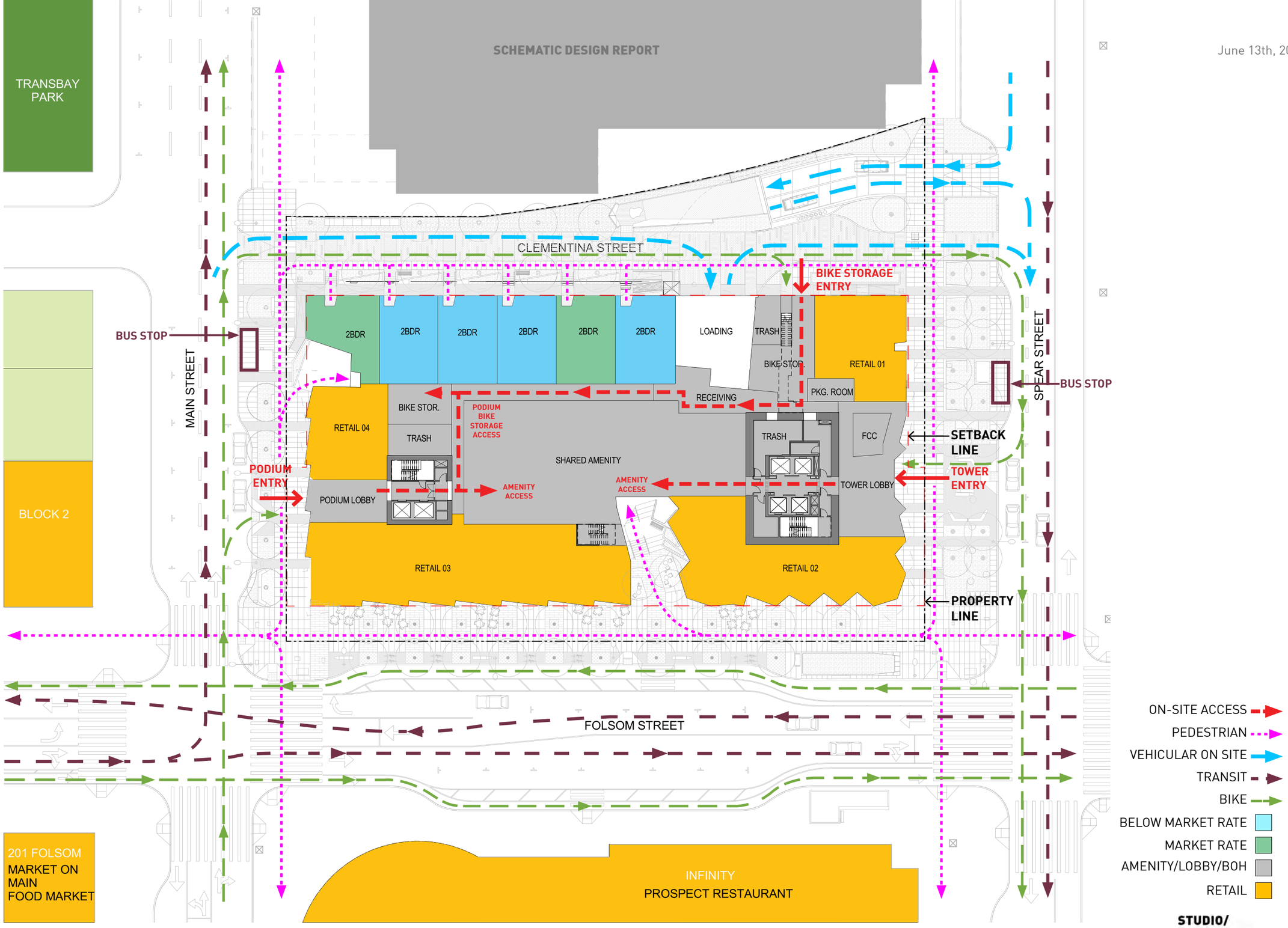
BIKE STORAGE

PEDESTRIAN ACCESS PATH TO CAR SHARE STALLS

VEHICULAR CIRCULATION

PARKING COUNT MATRIX

	ACCESSIBLE	PARKING	**TOTAL**
LL1	8	72*	80
LL2	0	129	129
LL3	0	131	131
TOTAL	8	332	**340**



LEVEL 01 PLAN WITH SITE
1" = 40'-0"



LEVEL 01 PLAN

1" = 20'-0"

BELOW MARKET RATE
MARKET RATE
RETAIL
TRASH SERVICE PATH

*NOTE: Retail 03 deliveries will be have access through BOH corridor and from Main Street. Retail 01, 02 and 04 deliveries will have access from the Spear and Main Streets. Retail trash will be collected East of the loading bay and picked up on Clementina with residential trash



LEVEL 02 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE



LEVEL 03 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

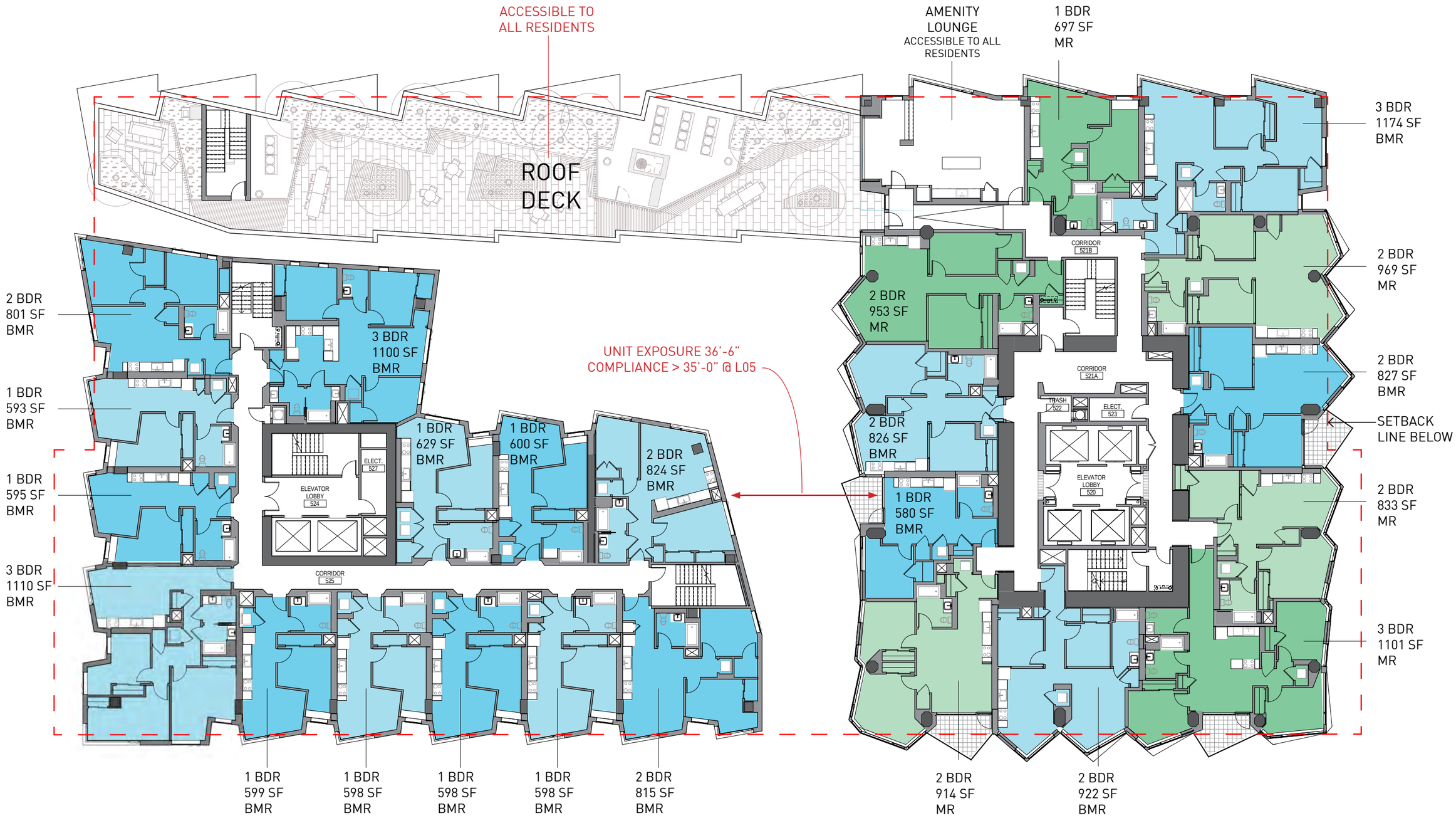


LEVEL 04 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

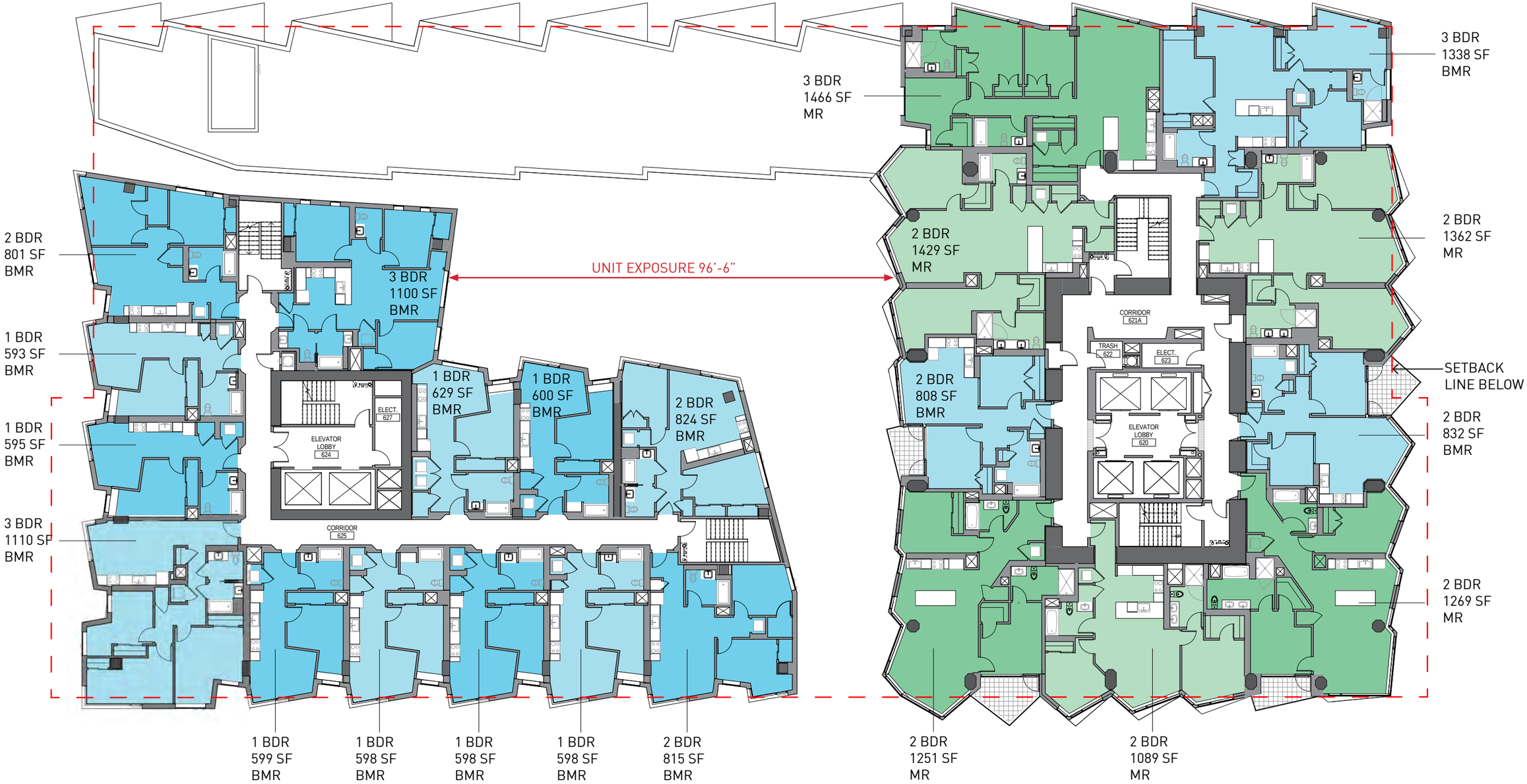


LEVEL 05 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

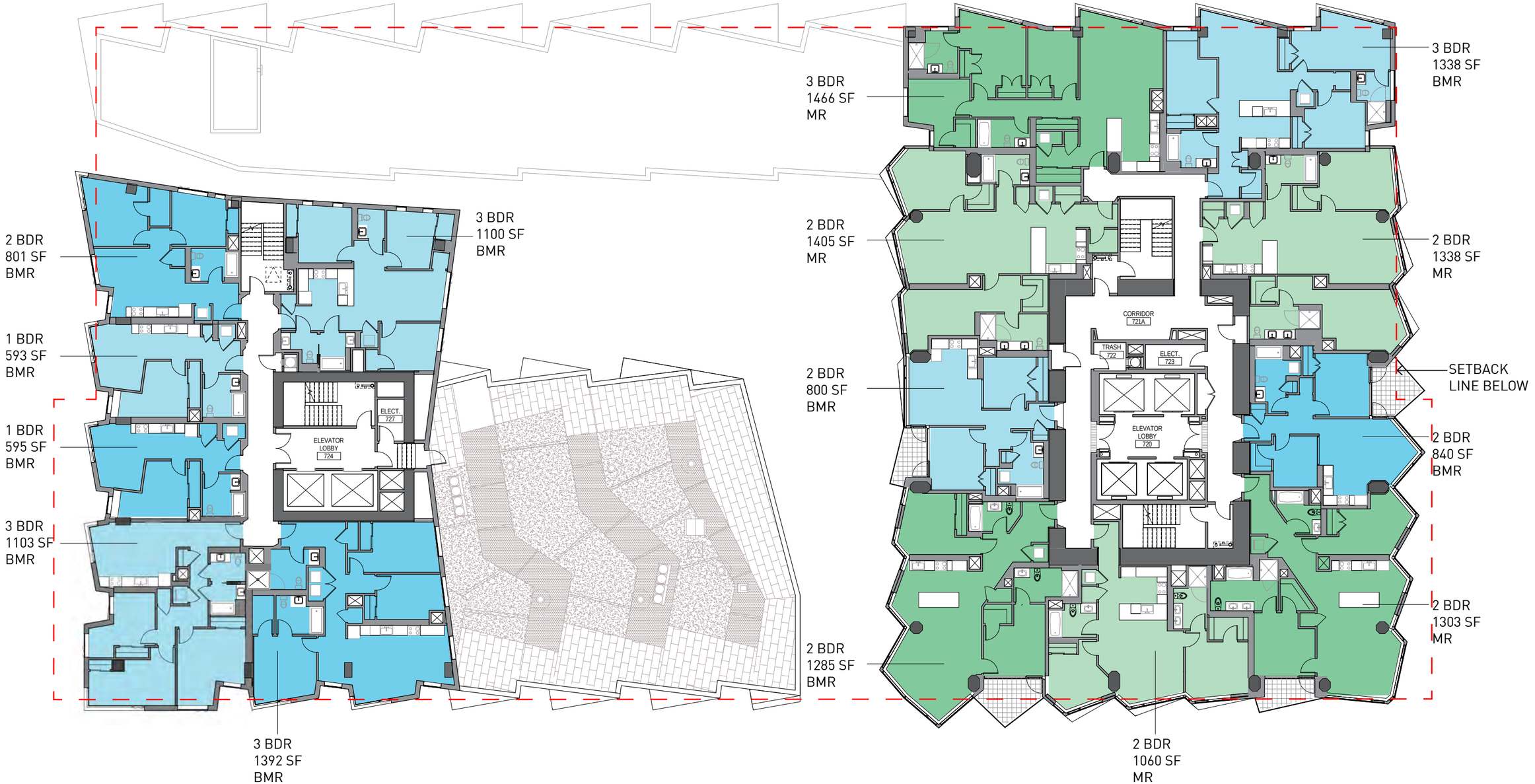


LEVEL 06 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

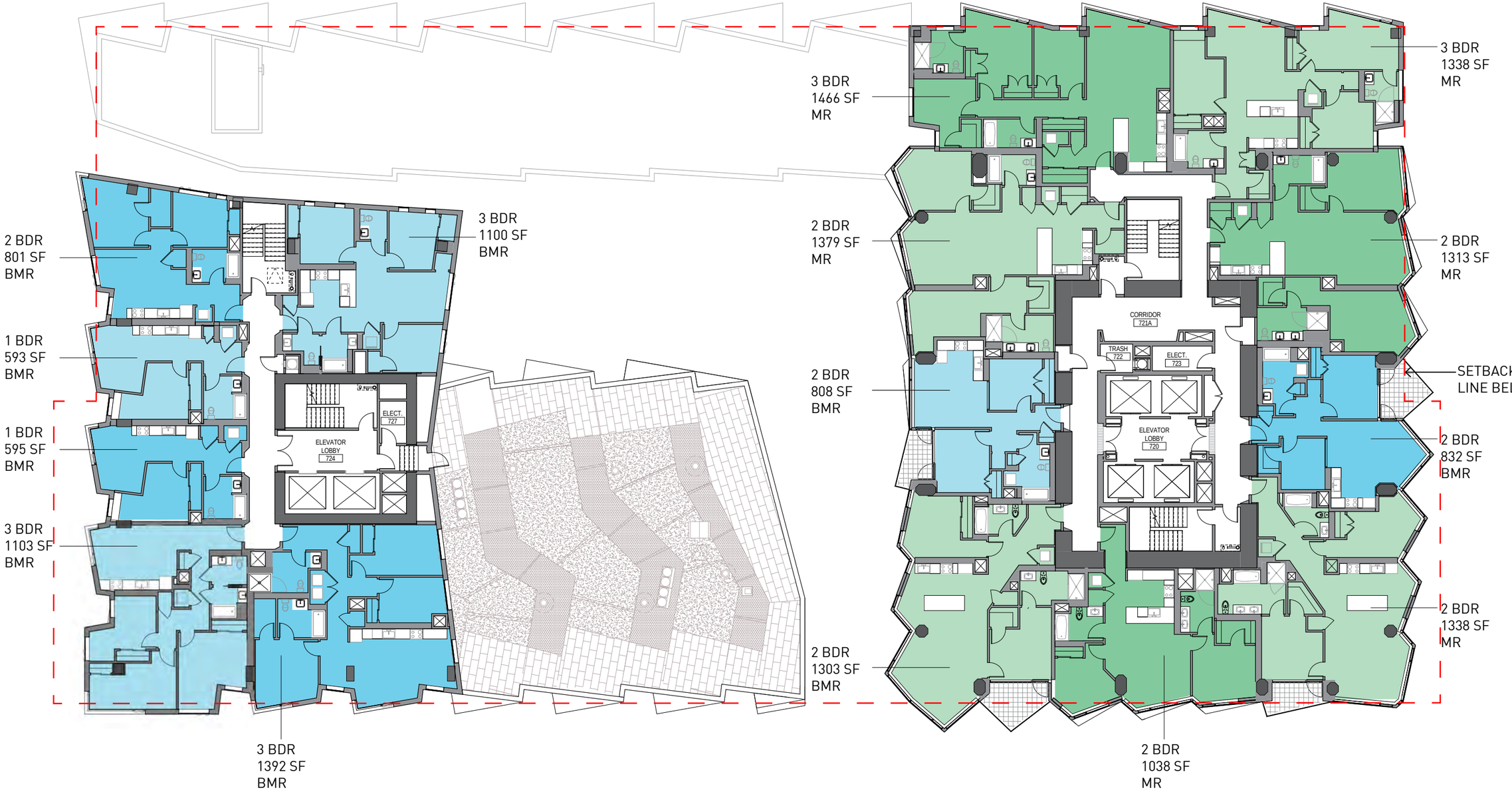


LEVEL 07 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

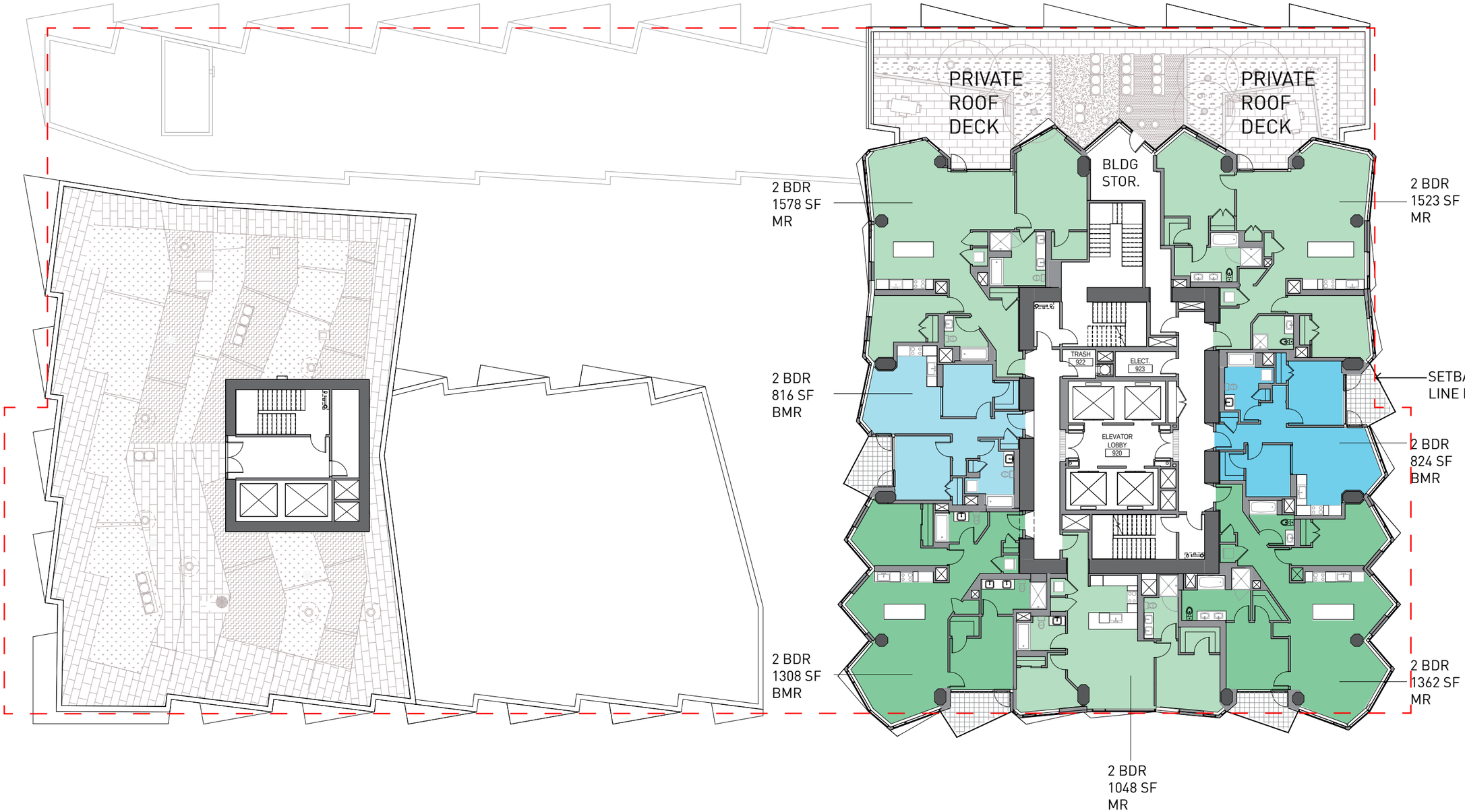


LEVEL 08 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE

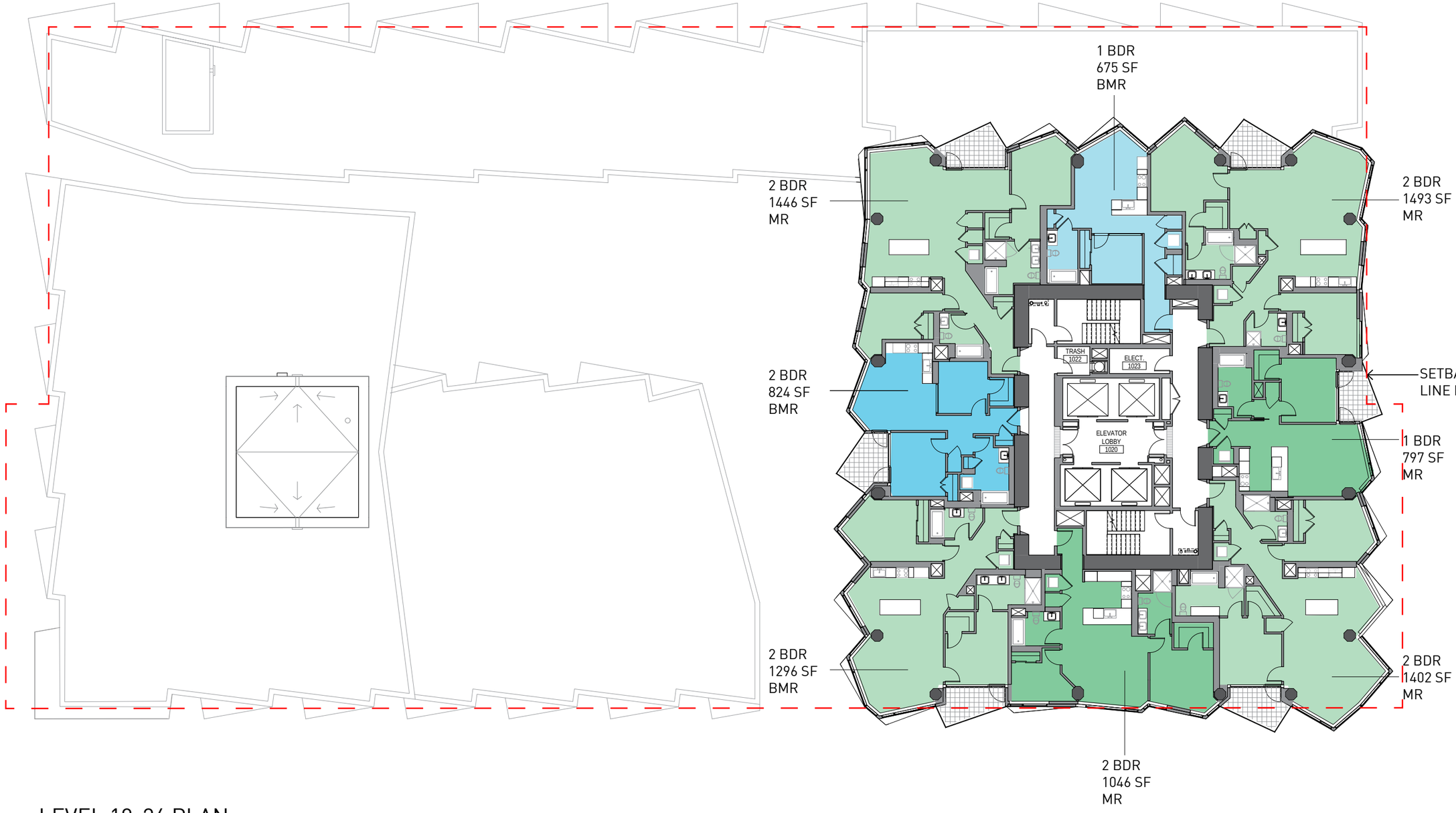


LEVEL 09 PLAN

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE



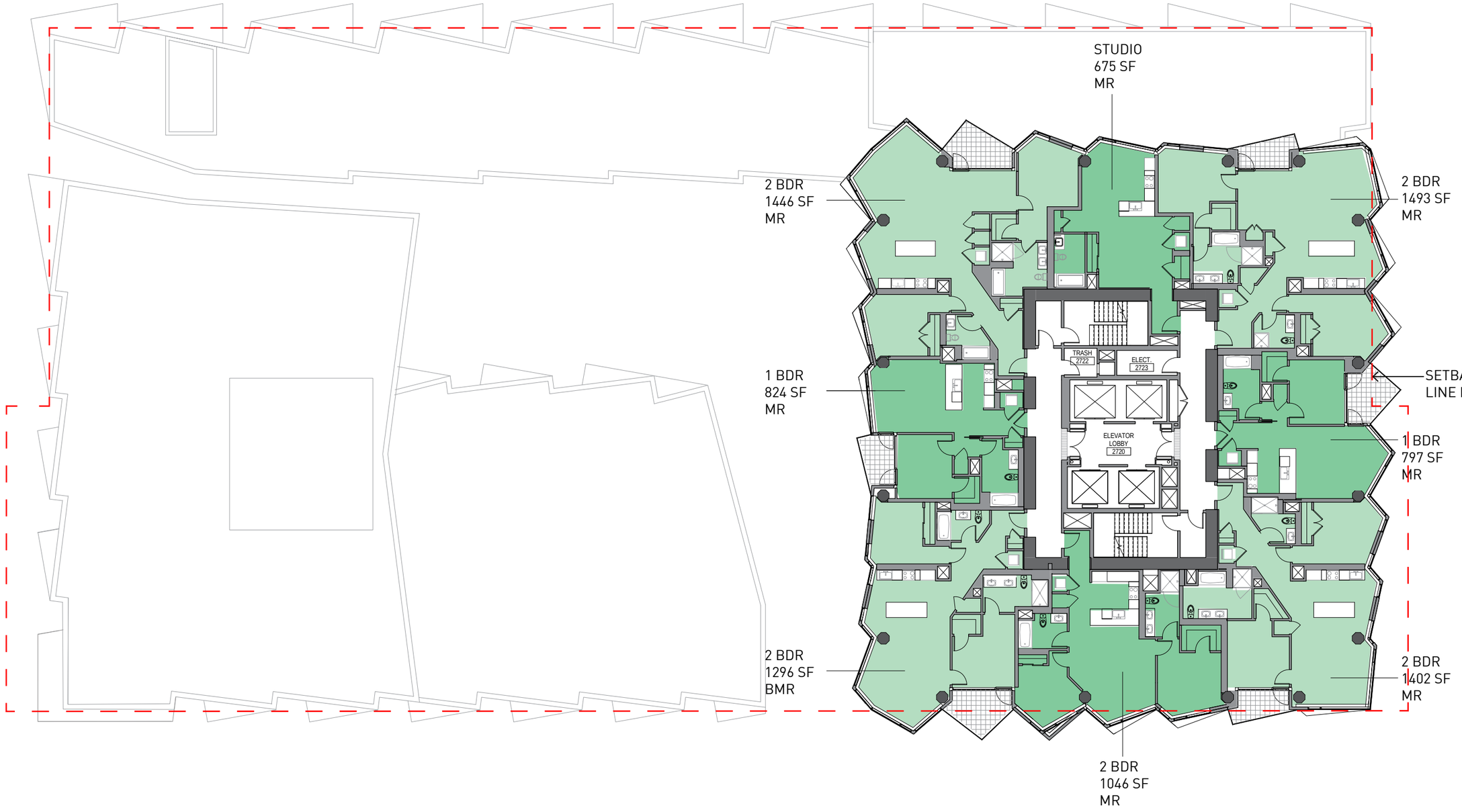
LEVEL 10-26 PLAN

*NOTE: THERE IS NO L13 IN THE PROJECT

1" = 20'-0"

BELOW MARKET RATE

MARKET RATE



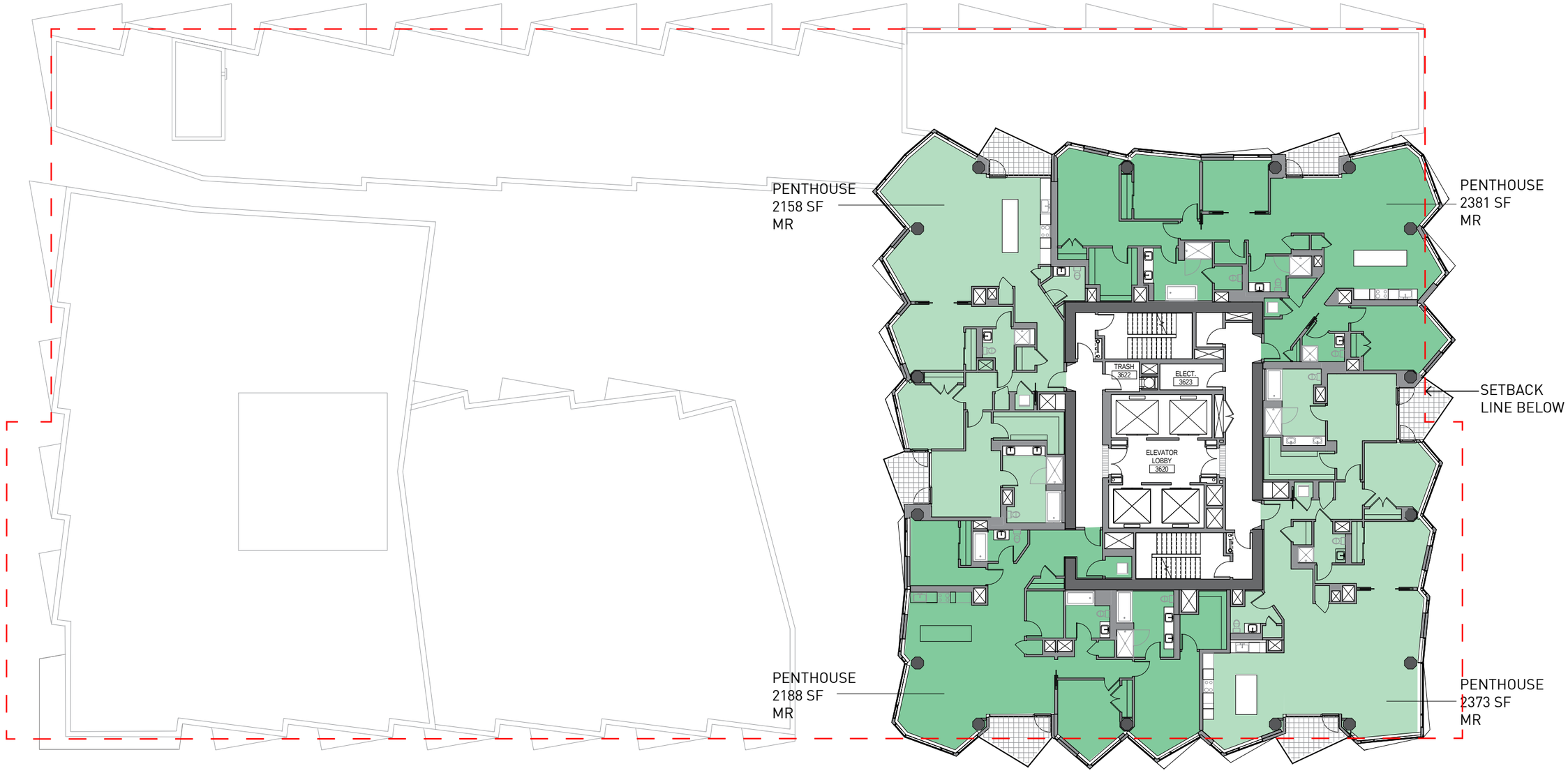
LEVEL 27-31 PLAN
1" = 20'-0"

BELOW MARKET RATE
MARKET RATE



LEVEL 32-35 PLAN
1" = 20'-0"

BELOW MARKET RATE
MARKET RATE

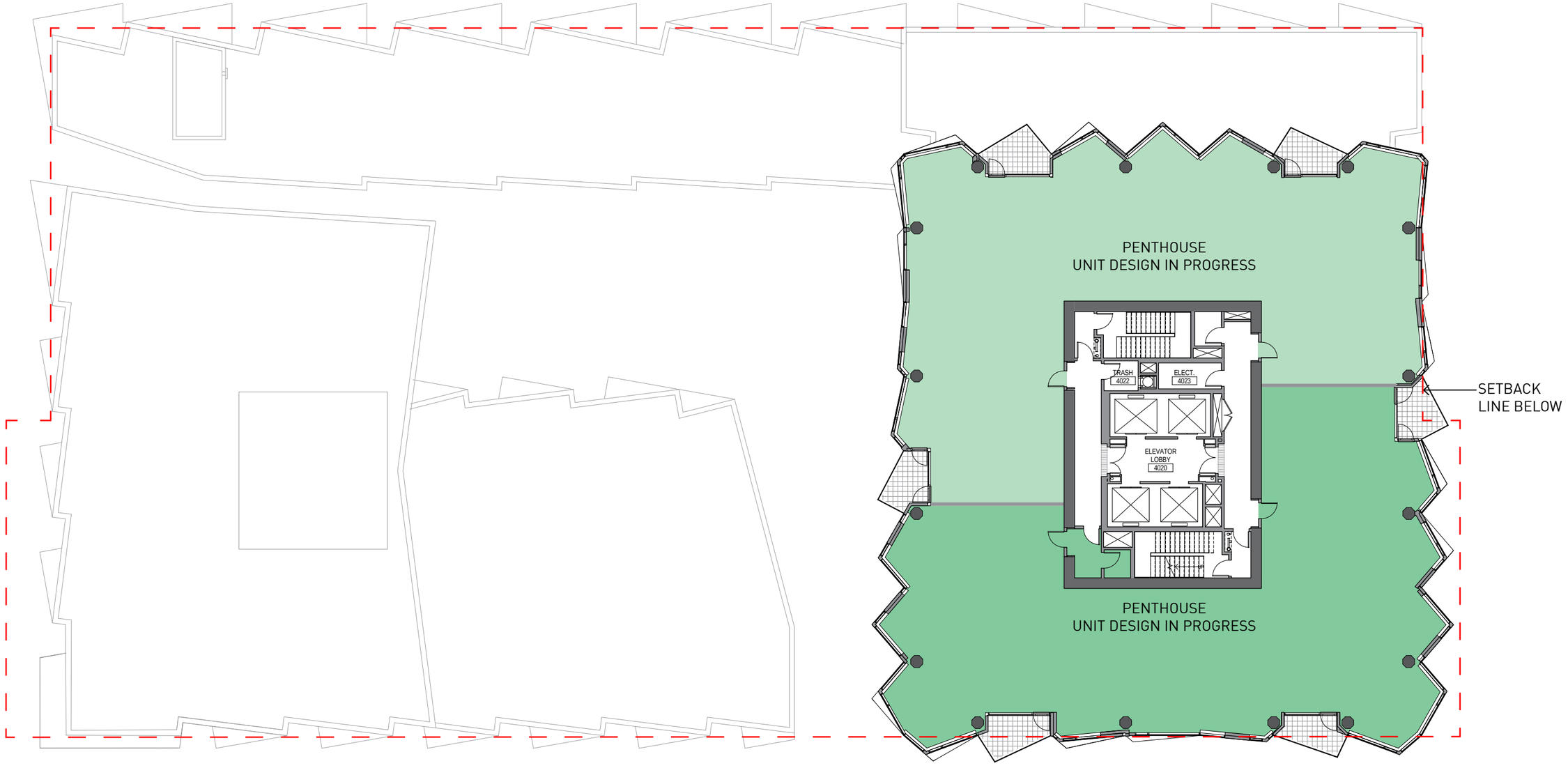


LEVEL 36-39 PLAN

1" = 20'-0"

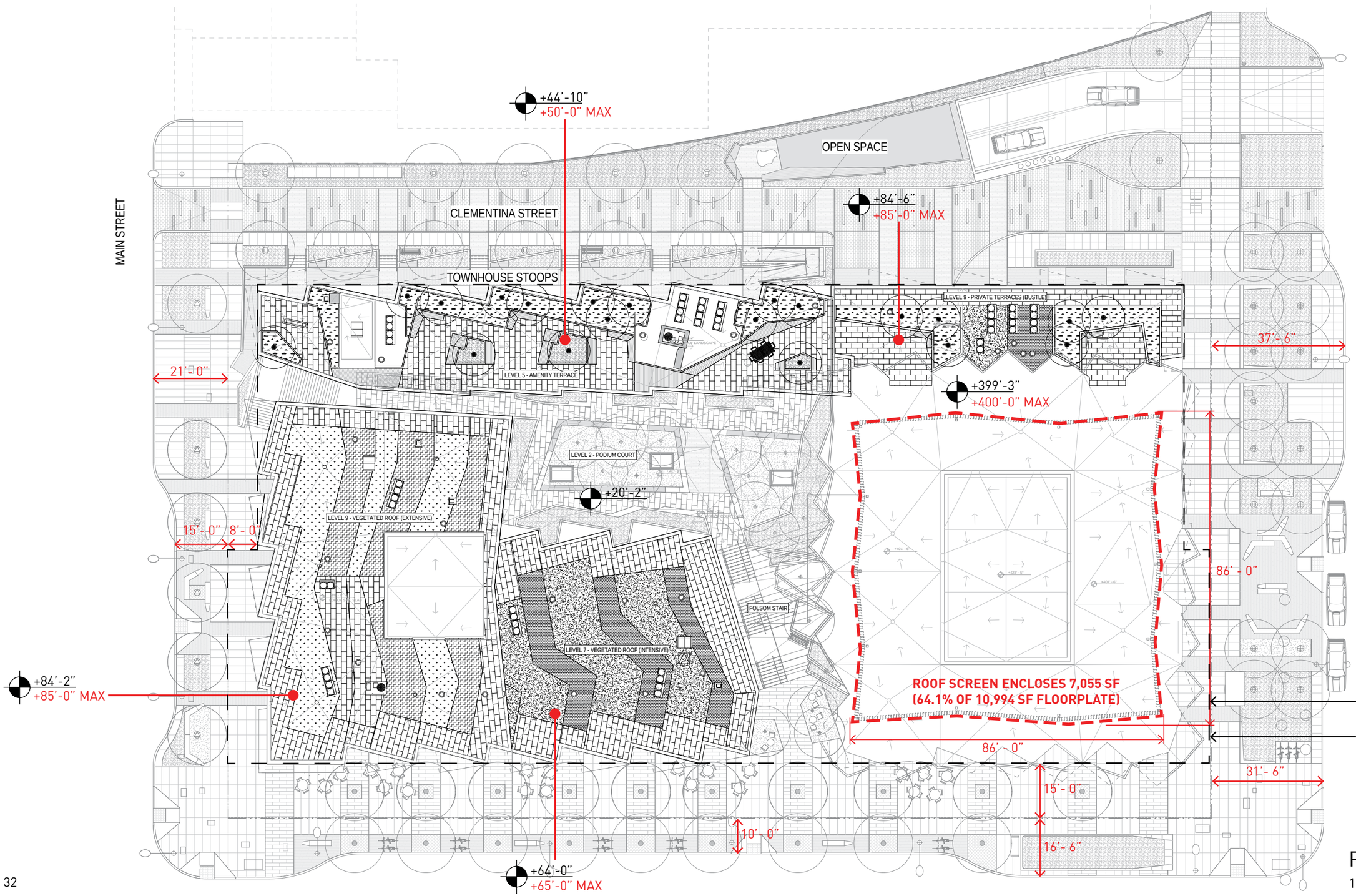
BELOW MARKET RATE

MARKET RATE



PENTHOUSE PLAN
1" = 20'-0"

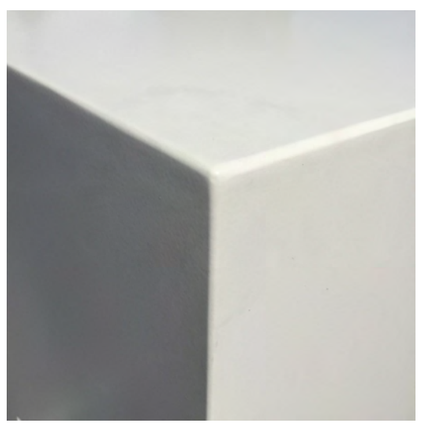
BELOW MARKET RATE
MARKET RATE



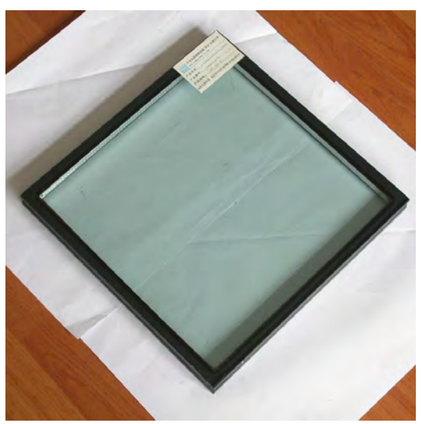
ROOF PLAN

1" = 30'-0"

01.9 ARCHITECTURAL MATERIALS



① 3mm ALUMINUM PANEL @ TOWER



② CLEAR INSULATED GLASS, LOW E-COATED



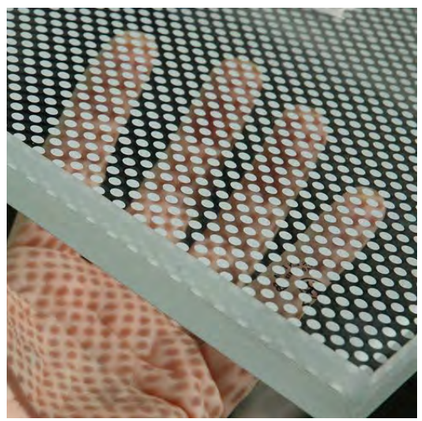
③ HIGH PERFORMANCE CONCRETE PANELS @ TOWER STOREFRONT



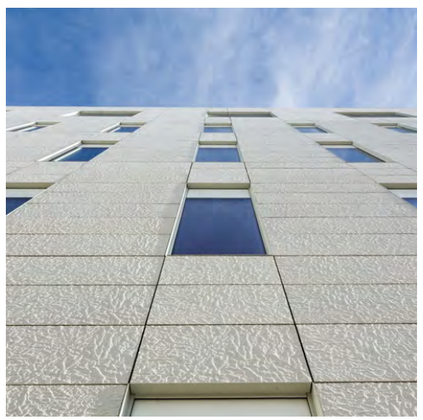
④ STONE BASE @ STOREFRONT



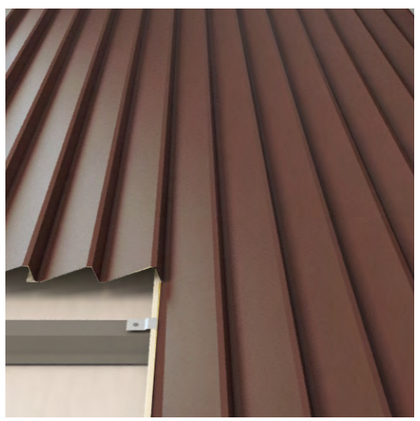
⑩ WOOD TRIM @ TOWNHOME STOOP AND SOFFIT



⑥ FRITTED GLASS @ BALCONY RAILING



⑦ HIGH PERFORMANCE C PANEL @ TOWNHOME



⑧ CORRUGATED METAL PANEL @ PODIUM



⑨ ALUMINUM COMPOSITE METAL PANEL @ PODIUM

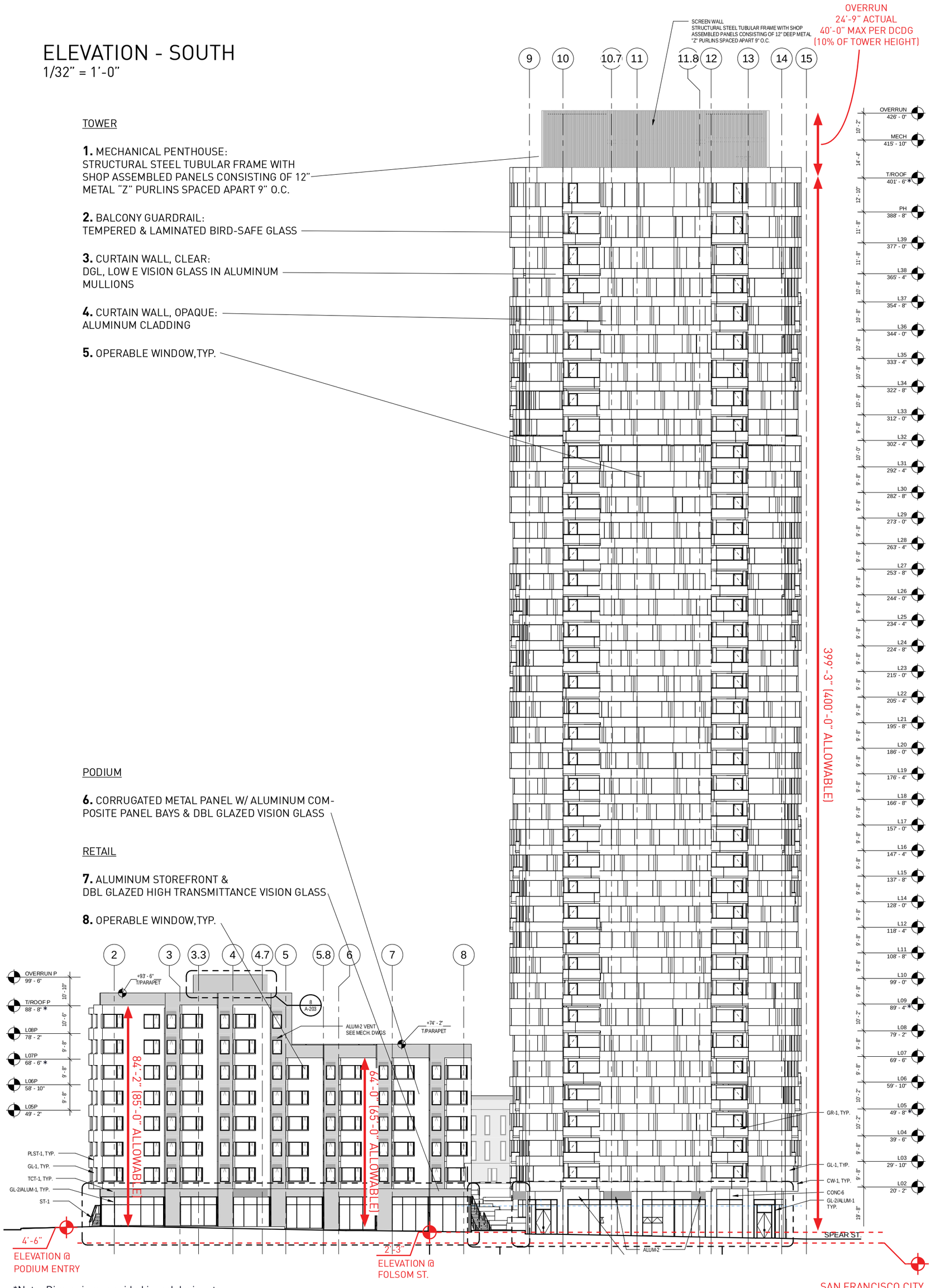


⑤ IRON SPOT BRICK @ TOWNHOME

01.10 BUILDING ELEVATIONS & SECTIONS

ELEVATION - SOUTH

1/32" = 1'-0"



*Note: Dimensions provided in red designate allowable building heights above the street per OCII requirements. Floor to floor heights are taken from the San Francisco City Datum (Sea Level). The summation of floor to floor heights designates height above sea level not height above the street.

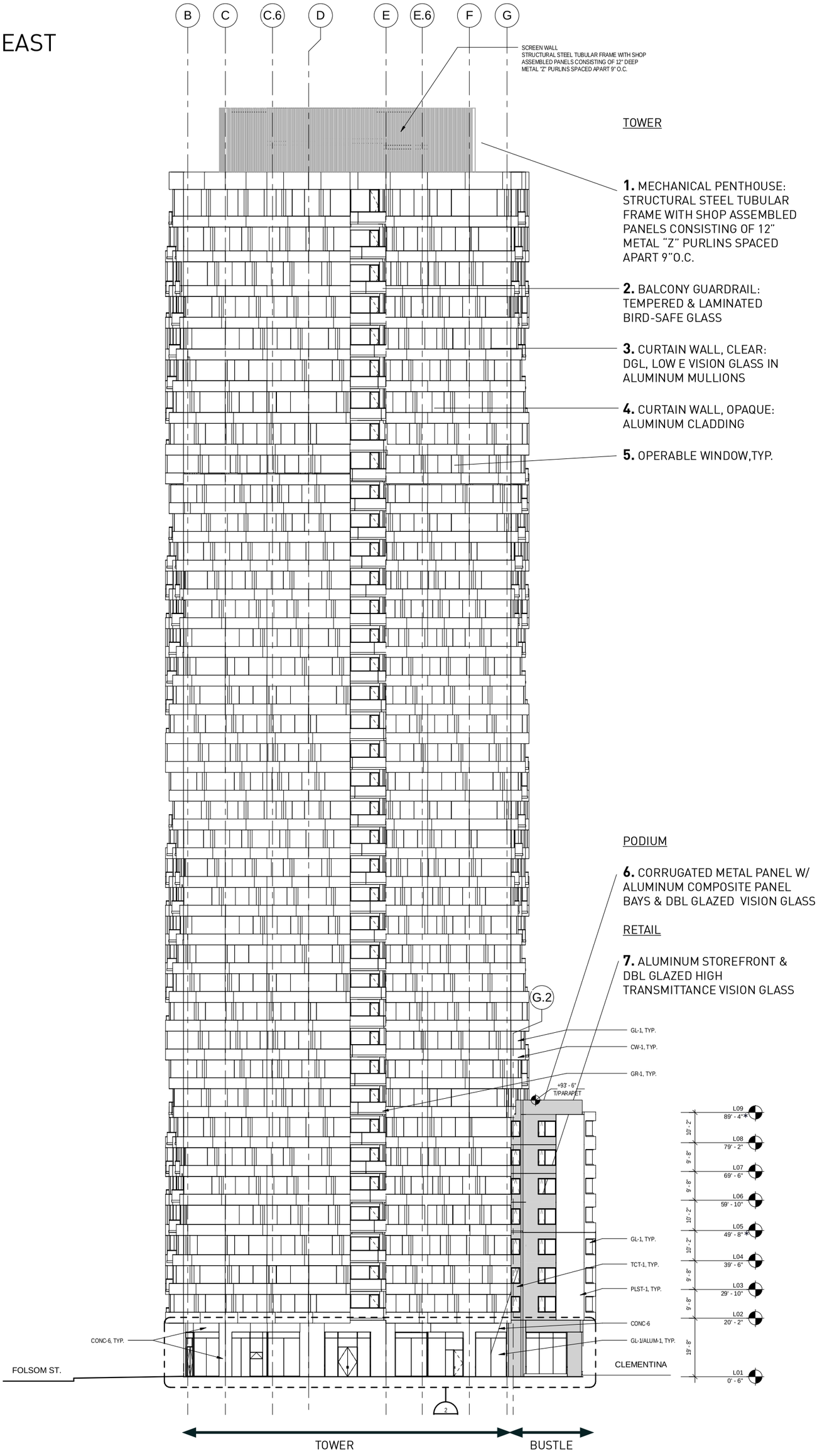
ELEVATION - SOUTH

1/32" = 1'-0"



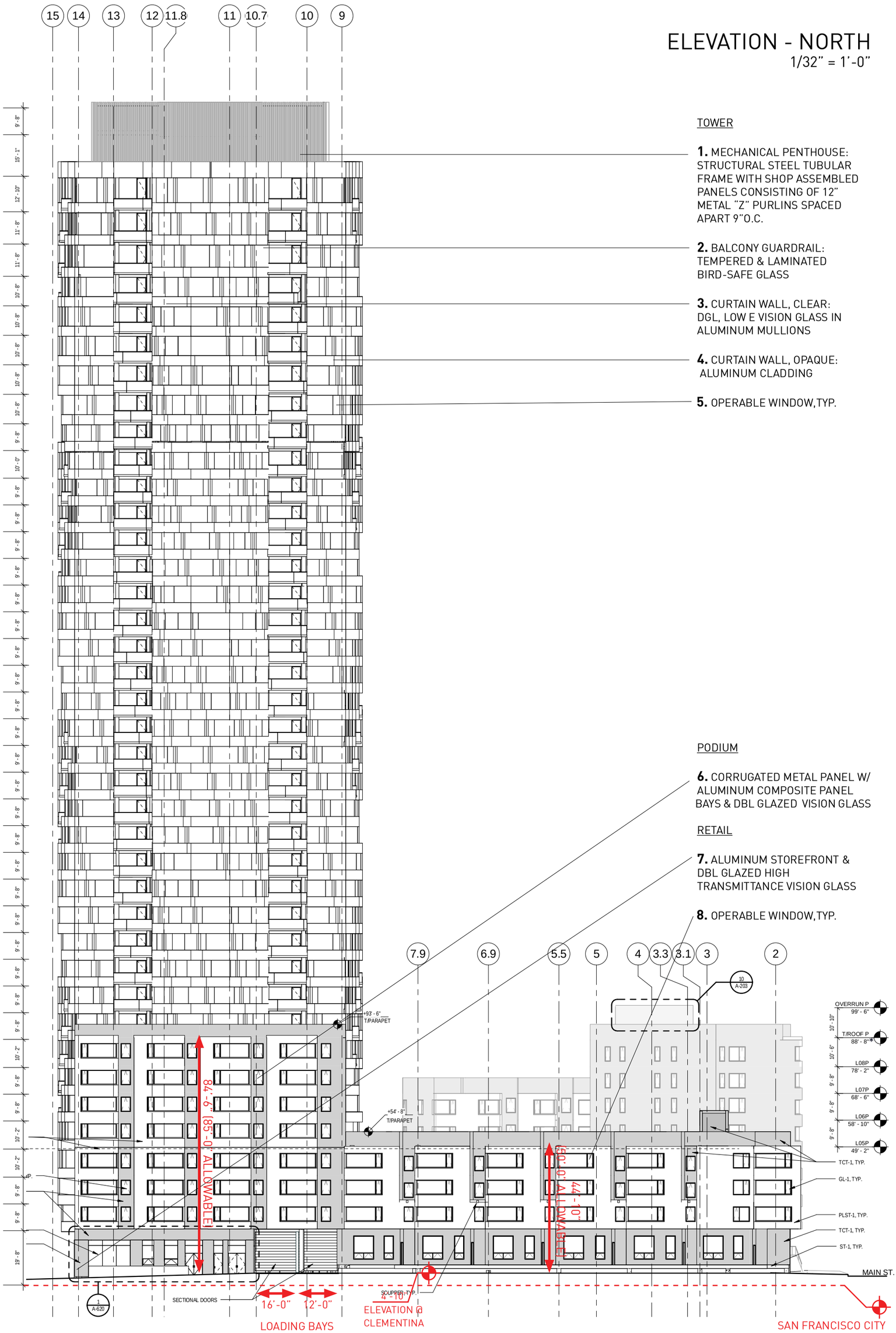
ELEVATION - EAST

1/32" = 1'-0"



ELEVATION - NORTH

1/32" = 1'-0"



*Note: Dimensions provided in red designate allowable building heights above the street per OCII requirements. Floor to floor heights are taken from the San Francisco City Datum (Sea Level). The summation of floor to floor heights designates height above sea level not height above the street.

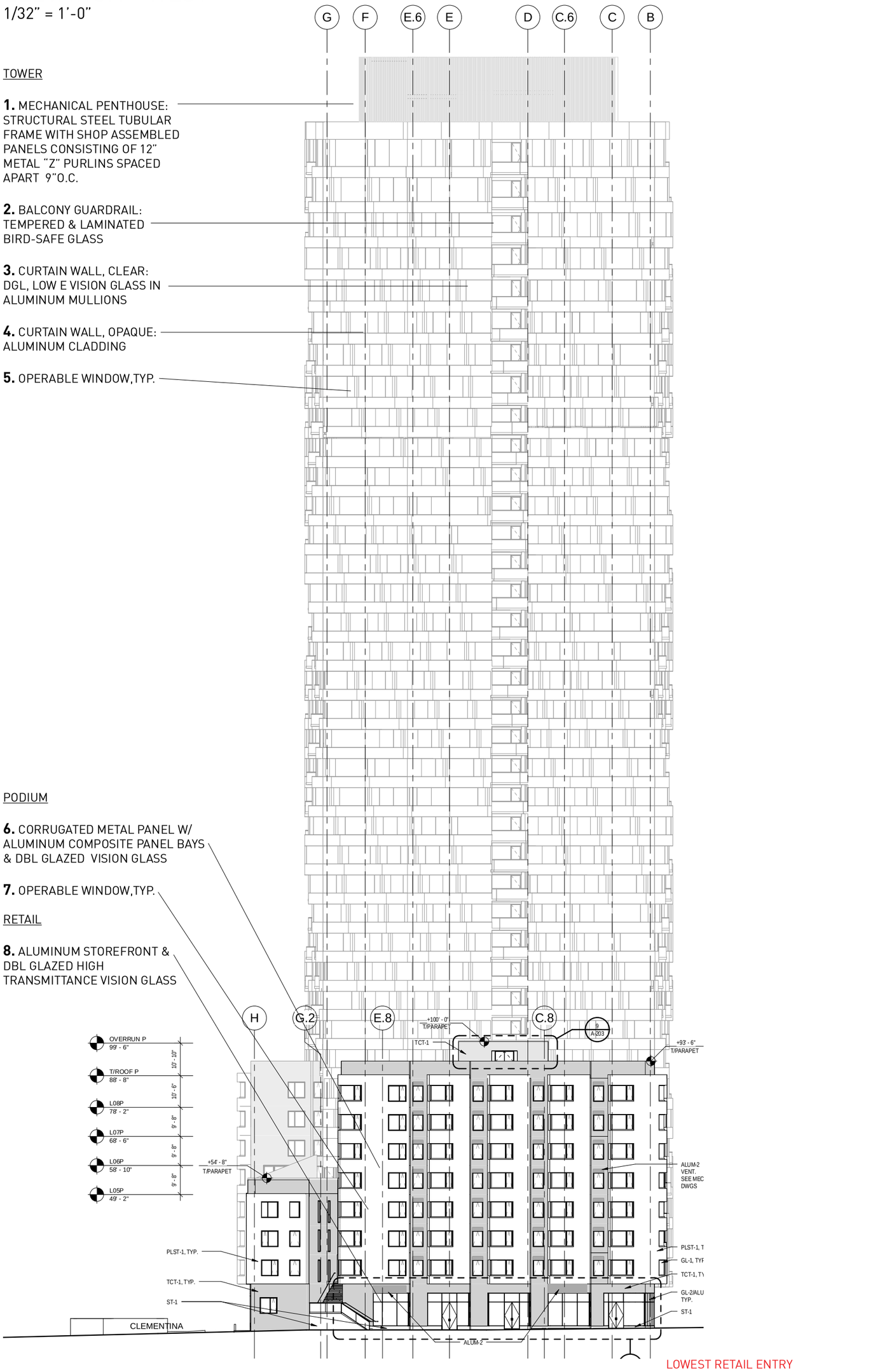
ELEVATION - NORTH

1/32" = 1'-0"



ELEVATION - WEST

1/32" = 1'-0"



LOWEST RETAIL ENTRY
15'-11" FLOOR TO FLOOR (15'-0" MIN)

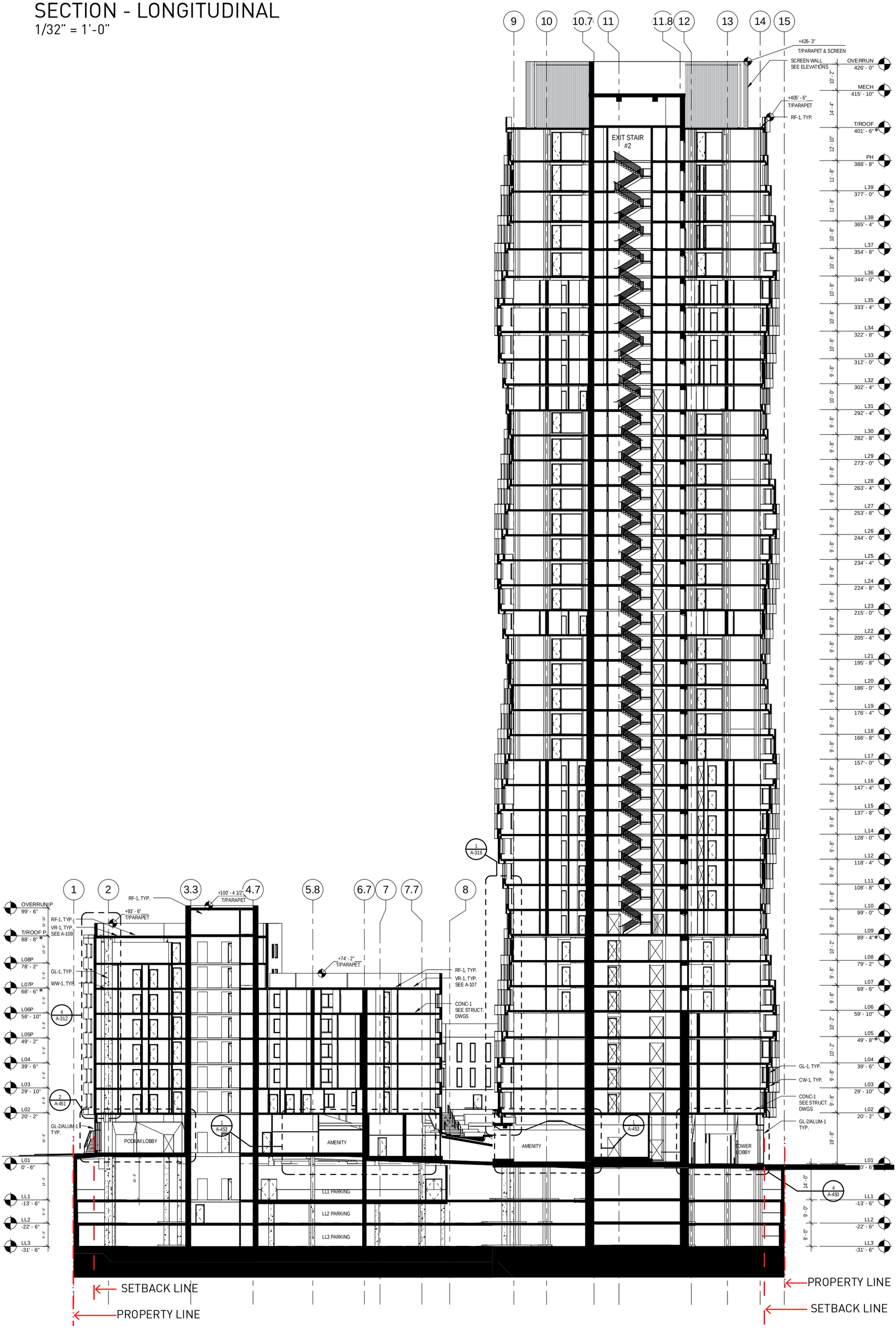
TOWNHOUSES

PODIUM

*Note: Dimensions provided in red designate allowable building heights above the street per OCII requirements. Floor to floor heights are taken from the San Francisco City Datum (Sea Level). The summation of floor to floor heights designates height above sea level not height above the street.

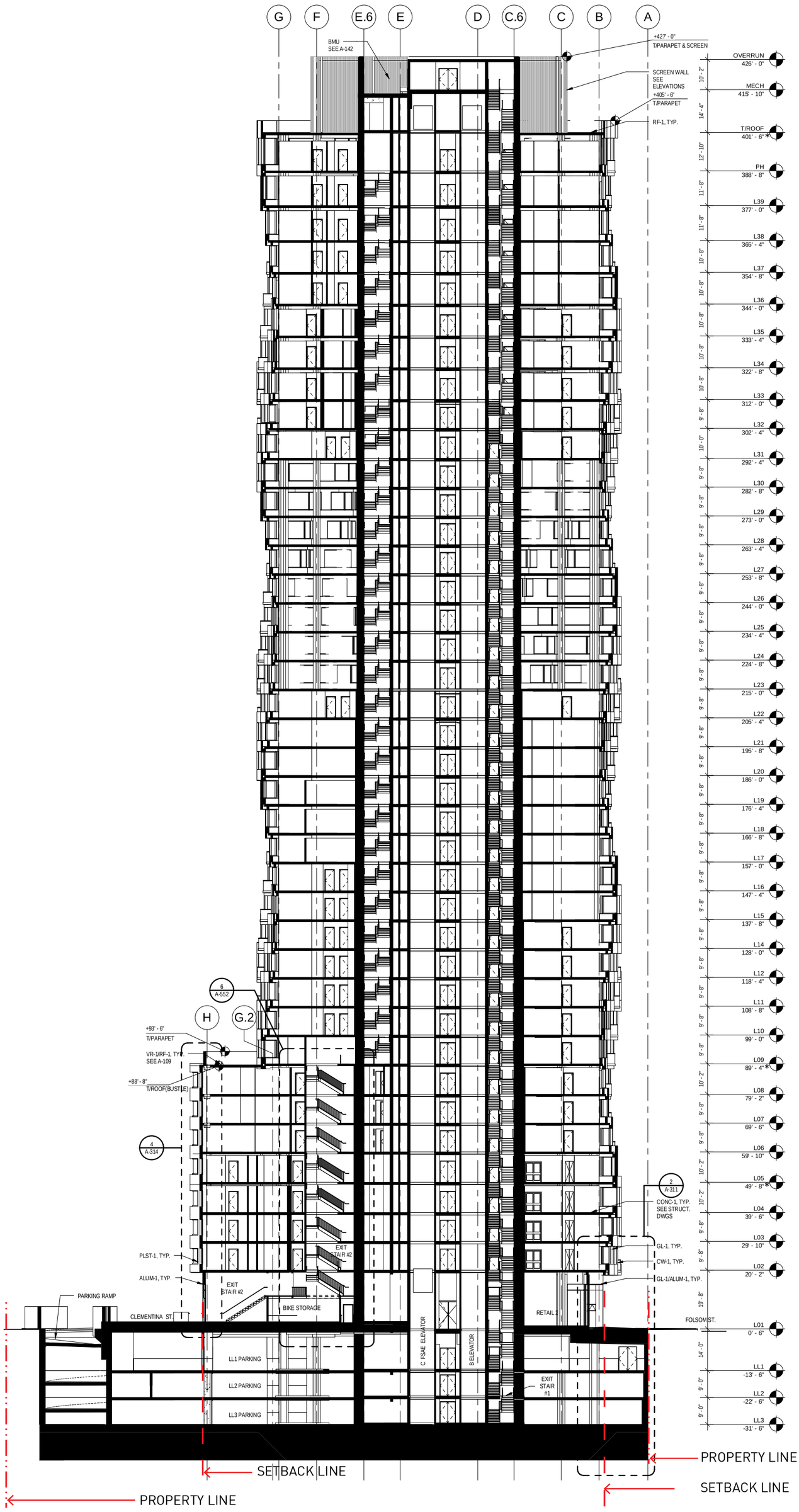
SECTION - LONGITUDINAL

1/32" = 1'-0"

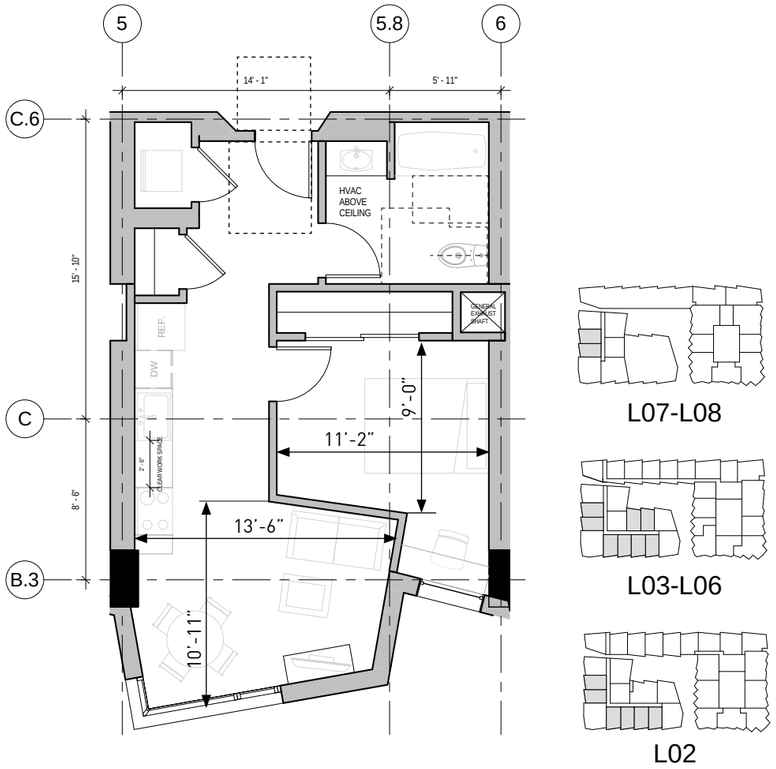


SECTION - TRANSVERSE

1/32" = 1'-0"



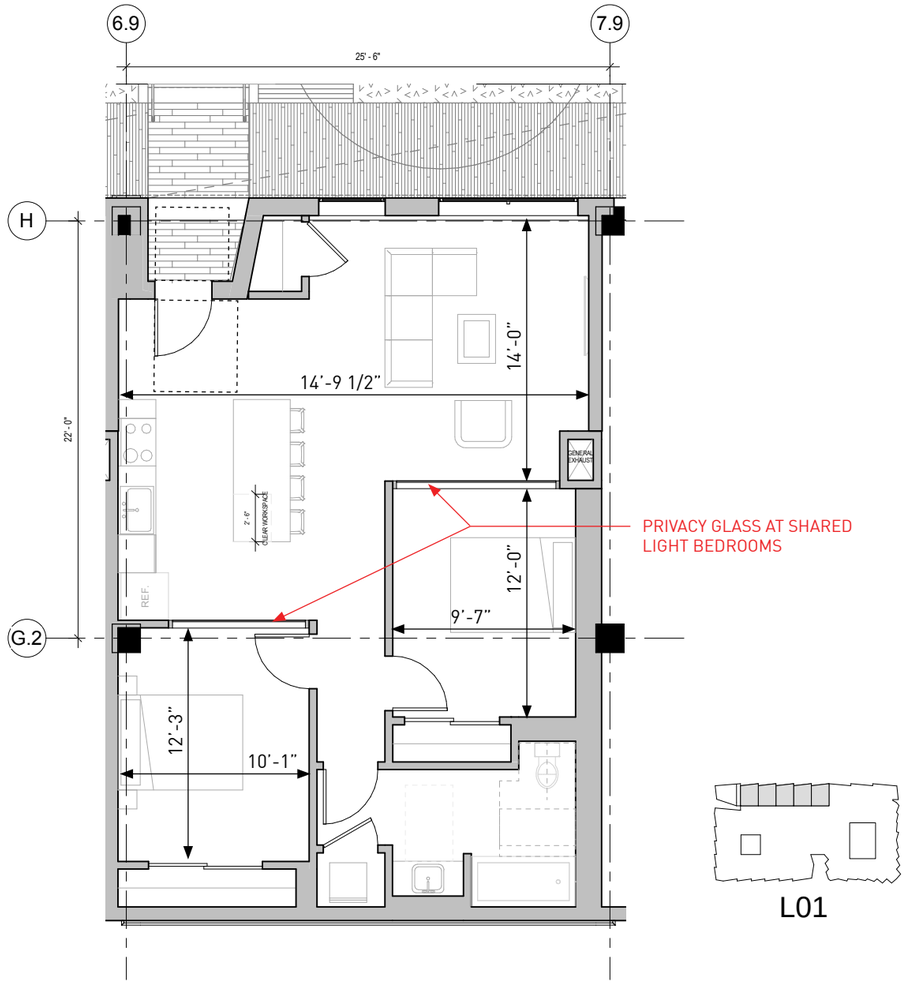
01.11 TYPICAL UNIT PLANS



UNIT P-01

TYPICAL PODIUM BMR 1BD

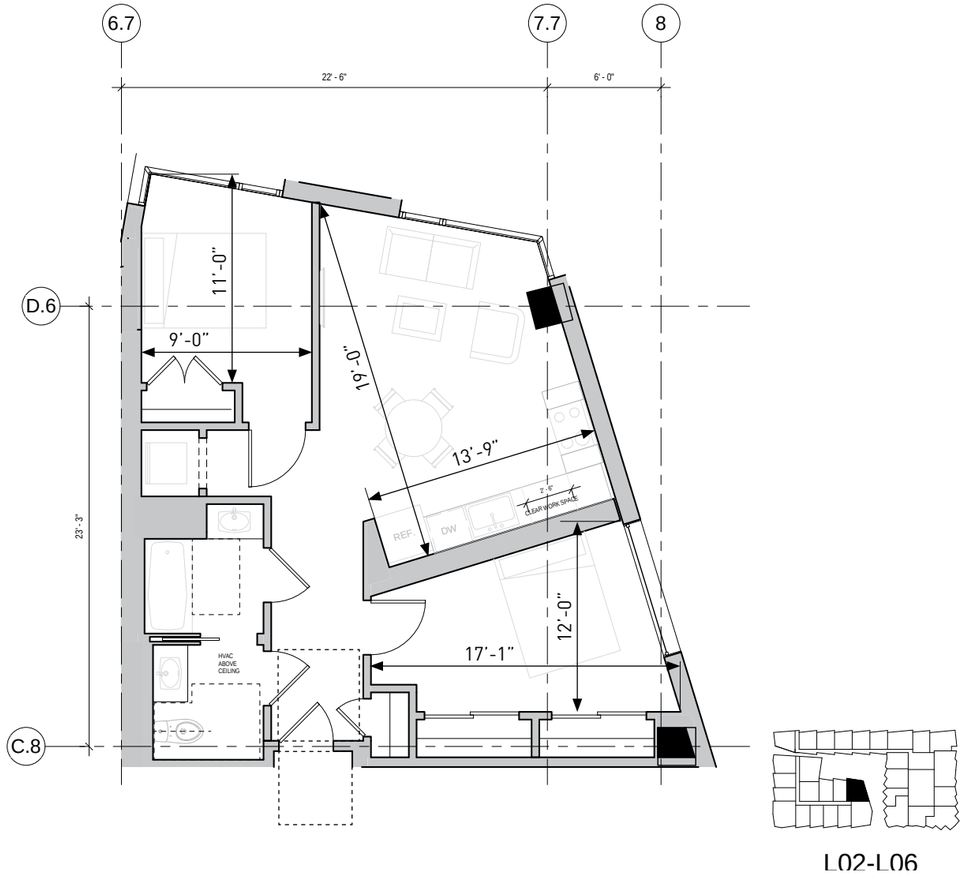
1/8" = 1'-0"



UNIT TH-05

TYPICAL L01 TOWNHOUSE BMR + MR 2BD

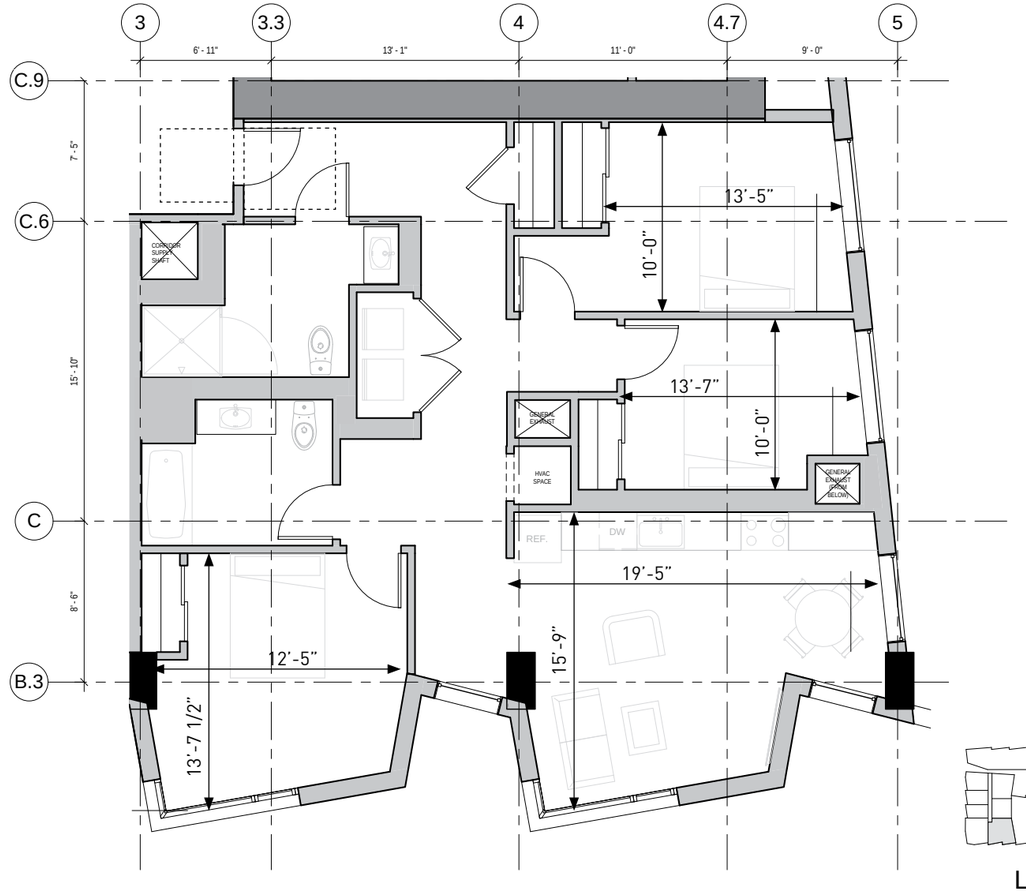
1/8" = 1'-0"



L02-L06

UNIT P-06

TYPICAL PODIUM BMR 2BD
1/8" = 1'-0"

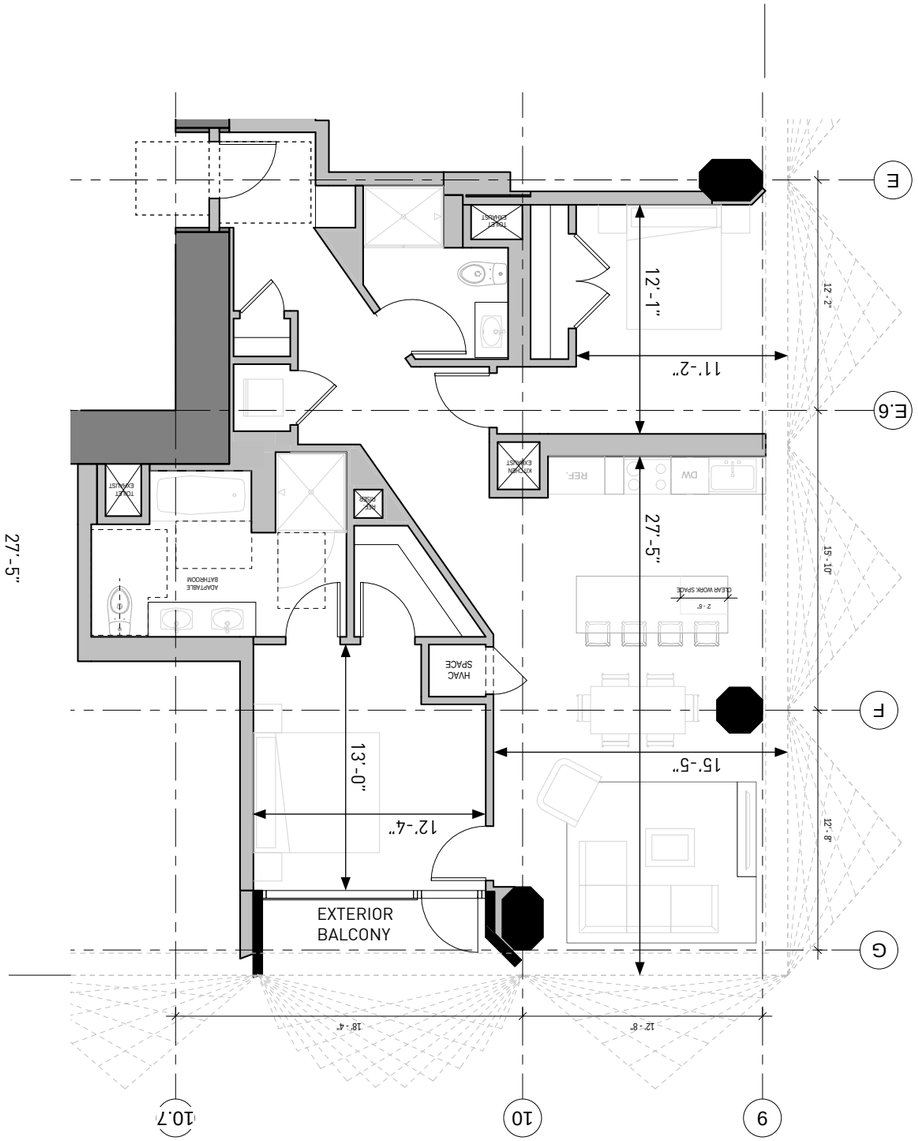




L07-L08

UNIT P-04

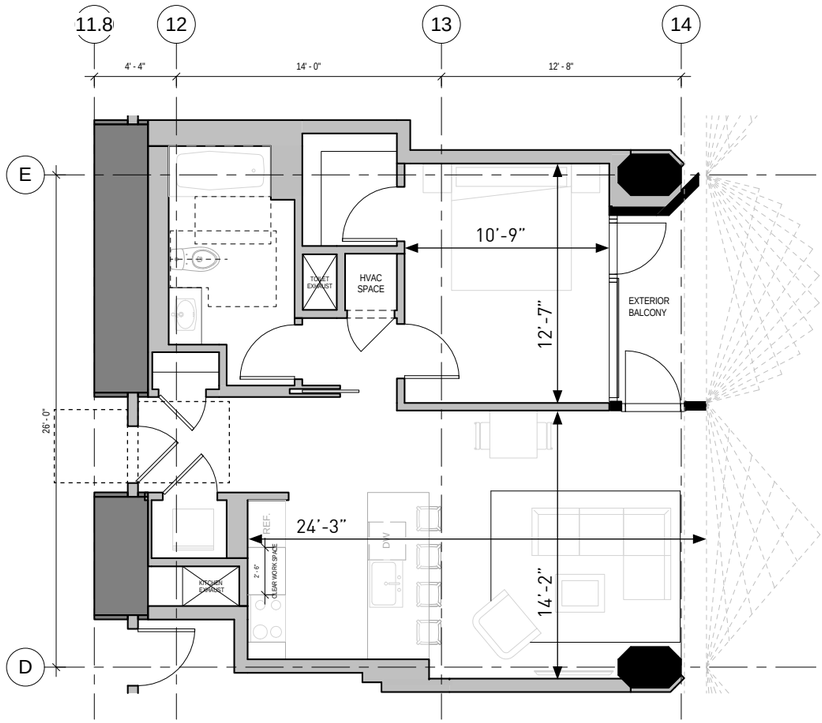
TYPICAL PODIUM BMR 3BD (MOBILITY UNIT)
1/8" = 1'-0"



L09-L31

L06-L08

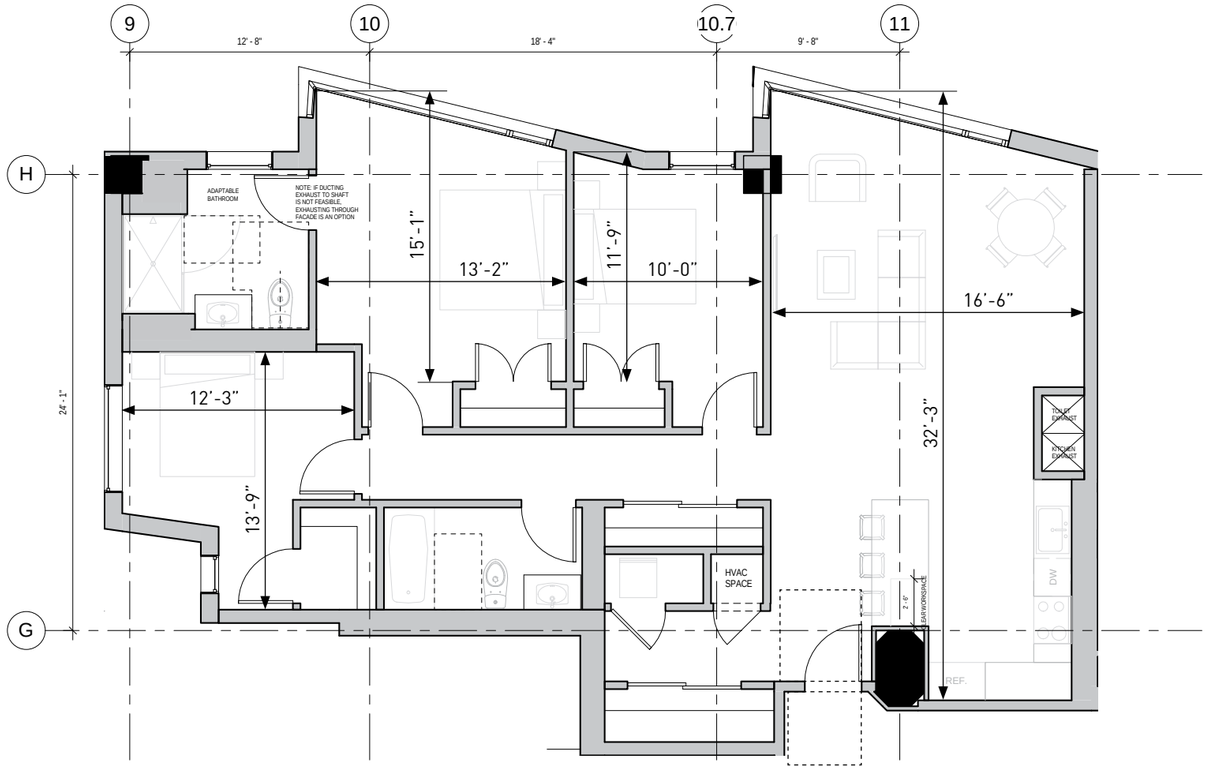
UNIT T-12
TYPICAL TOWER MR 2BD
1/8" = 1'-0"

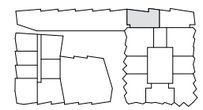


L32-L35

L09-L31

UNIT T-15
TYPICAL TOWER MR 1BD
1/8" = 1'-0"





L06-L08

UNIT T-17

TYPICAL TOWER MR 3BD

1/8" = 1'-0"

02 DESIGN STRATEGY

02.1 HISTORY AND CONTEXT

Bay windows first became popular in San Francisco during the 1870s. Although the bay window was not invented in the Bay Area (variations date back to medieval Europe), it has become synonymous with San Francisco.

The bay window's rise in popularity coincided with the city's late nineteenth-century growth and densification. Land prices increased and lots became smaller. Bay windows became an efficient way to improve natural light and ventilation for houses on narrow lots. They also allowed for oblique views, especially exciting in the Bay Area's hilly terrain.

In 1886, the city's new Fire Ordinance regulated the construction of bay windows, limiting the distance they could project over the property line. This led to more standardized dimensions and often resulted in the uniform rows of bay windows that define many San Francisco streets. As the city rebuilt after the Great Earthquake of 1906, bay windows became even more prominent.

In 2012, researchers at Carnegie Mellon University developed software that studies Google Street View images for prominent features of various cities. For San Francisco, the bay window was identified as the city's defining architectural characteristic.

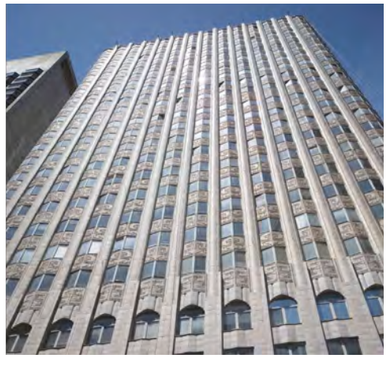
Bay windows continue to be an important component of San Francisco's architectural language. In our design they also produce a texture that emphasizes the tower's slender verticality. On the interior, they expand living spaces and capture lateral views. On the exterior, they divide the facade into smaller units, giving the building a more residential scale.



Houses on Capp Street - 1890s
Architect: Thomas J. Welsh
Developed by Baroness Von Schroeder



Houses on Taylor Street



450 Sutter Building - 1929
Architect: Thomas Pflueger

02.2 MIGRATING BAY

The tower design introduces the "Migrating Bay" in which the width of each bay is constant on all floors while the slab geometry varies slightly between floors.

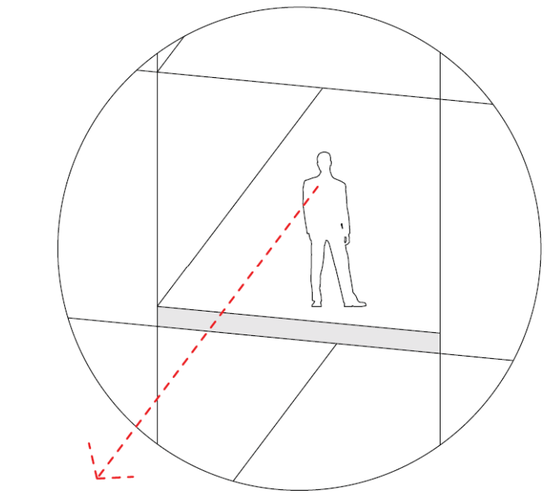
Ten different bay geometries are stacked to create a bay module, depicted at right.

Modules are offset by 1 floor in adjacent bays, which gives the facade its unique spiral effect.

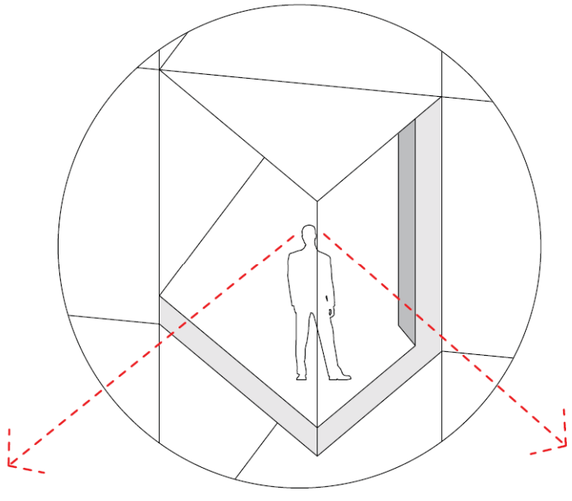
The migrating sequence of the dynamic facade improves views from within the units, gives the building a unique expression with a distinct residential scale, and allows for the seamless integration of balconies.

The migrating bays create a consistent pattern across the entire facade. However, each vertical stack is clad according to its function inside. The resulting facade includes solid panels, vision glass, spandrel, and open balconies. This optimizes the building's energy performance.

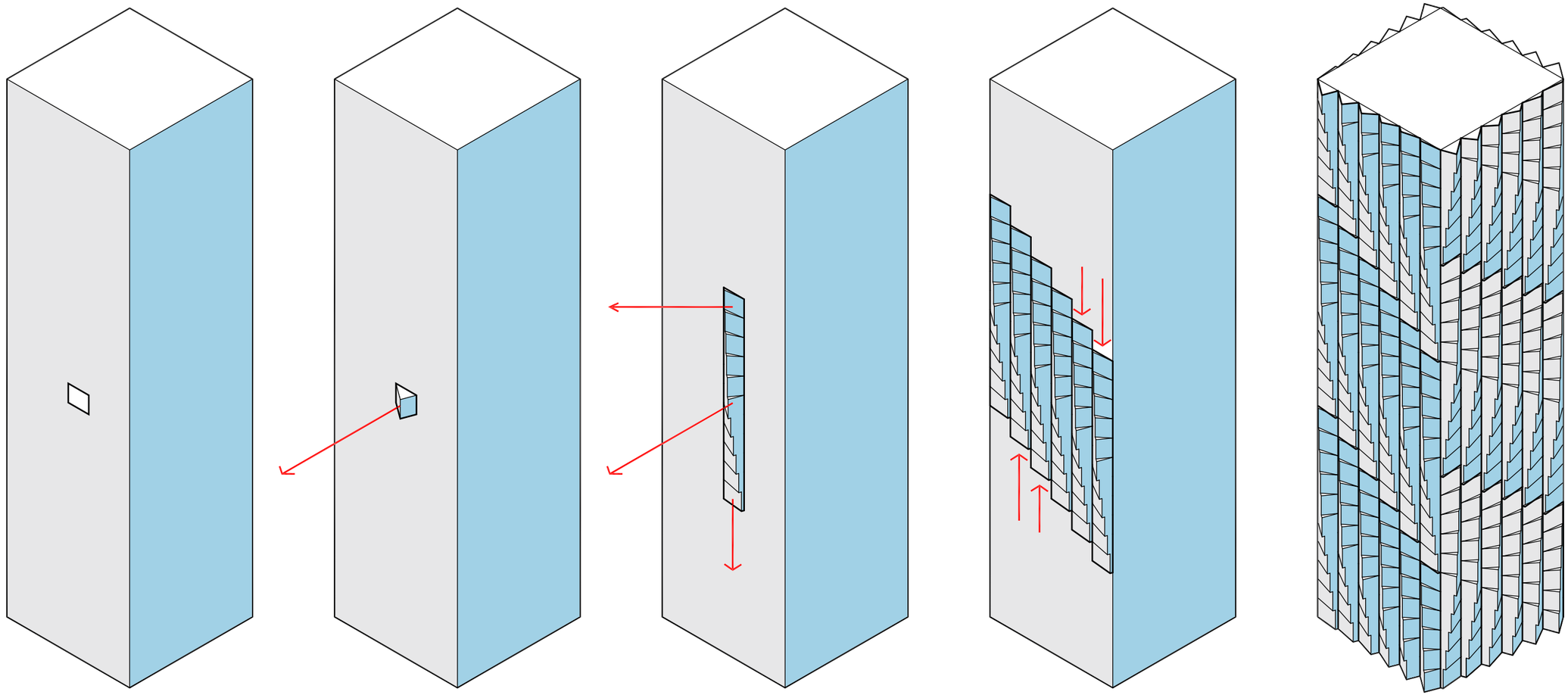
Solid-to-glass ratios vary based on room type: living rooms have more vision glazing, while bedrooms have more solid wall. This system optimizes the project's energy performance and preserves the exciting bay-window views available to each room as well as light exposure from multiple directions in each bay.



FLAT WINDOW



BAY WINDOW



FLAT WINDOW

BAY WINDOW

FANNING OPEN

OFFSET DISTRIBUTION

FULL MASSING

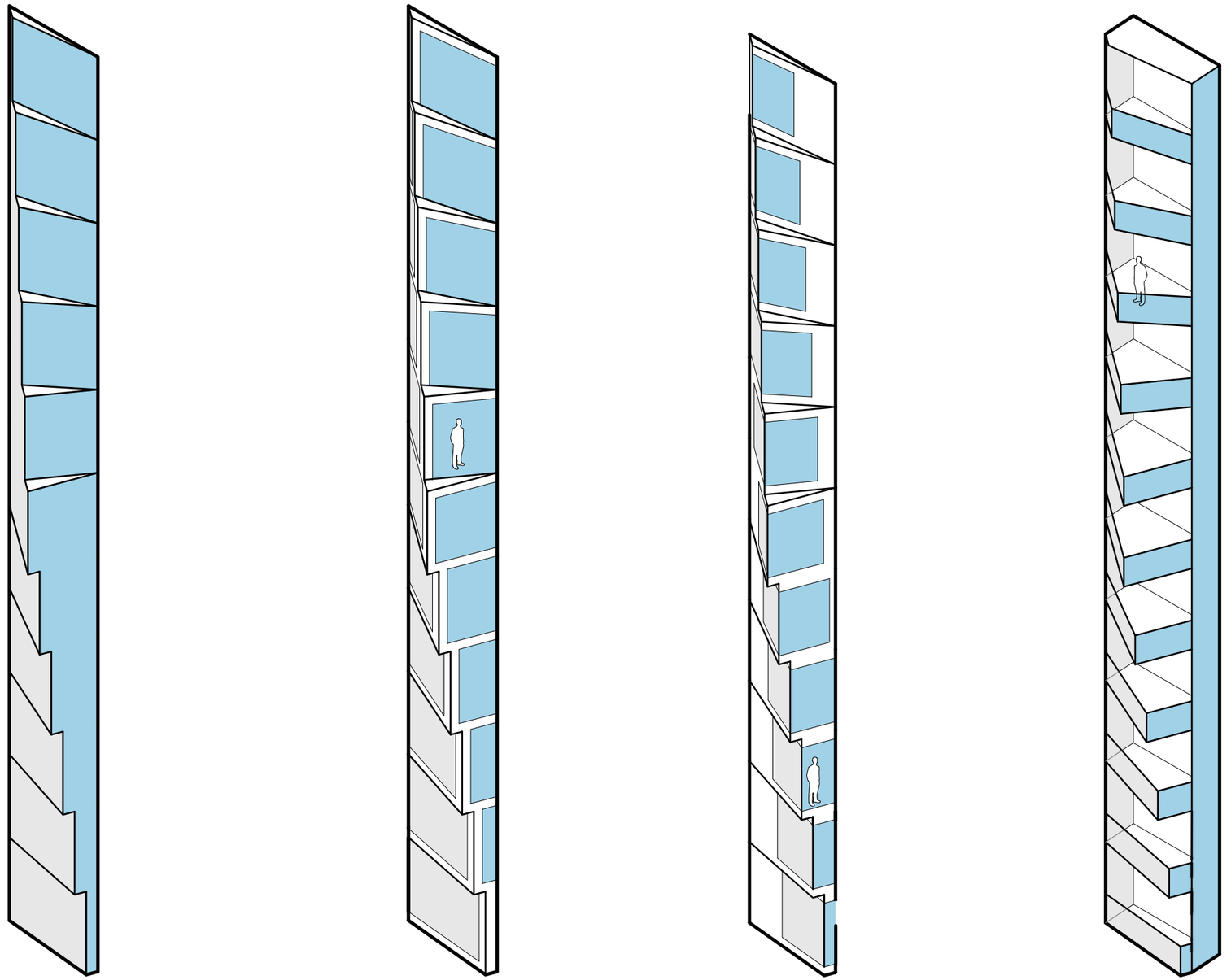
02.3 TOWER FACADE CONSTRUCTION

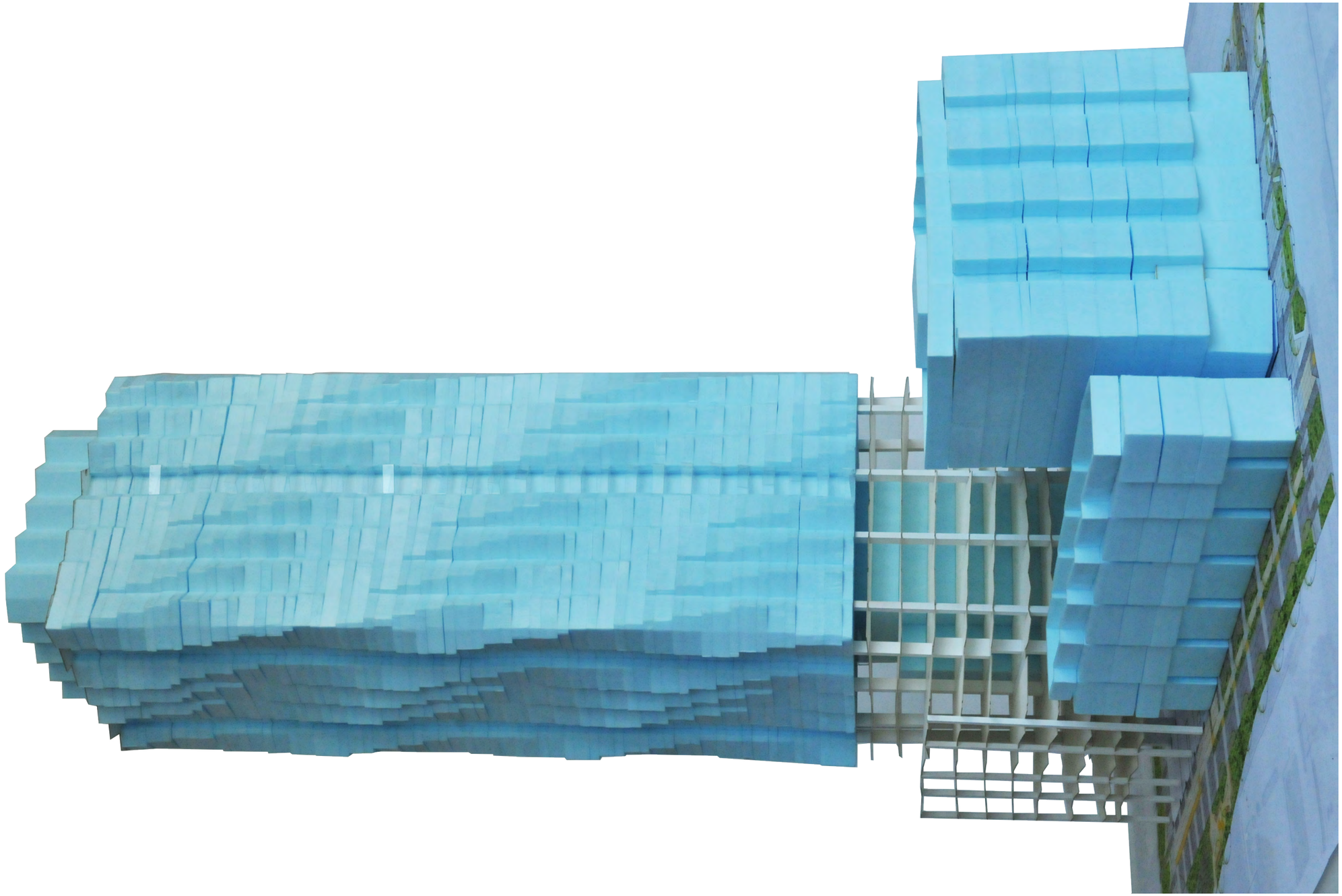
The tower facade is composed of two main unit types: spandrel units and infill units, combined to form a single spandrel+infill system. All solid portions of the curtain wall are made up of 3mm thick aluminum panels as described in the next section.

Spandrel units are located at slab edges. They are 3'-8" in elevation. Infill units are installed after the spandrel units above and below are set in place, and are dead loaded onto the spandrel units below. Infill units incorporate a combination of fixed glazing, operable glazed vents, and opaque wall.

In addition to the typical spandrel and infill unit system, the project incorporates balcony terraces with cantilevered glass guardrails. At these locations the building enclosure is set back from the slab edge and is formed by window wall spanning between floors. The system incorporates glass and aluminum swing doors, fixed glazing, and opaque wall.

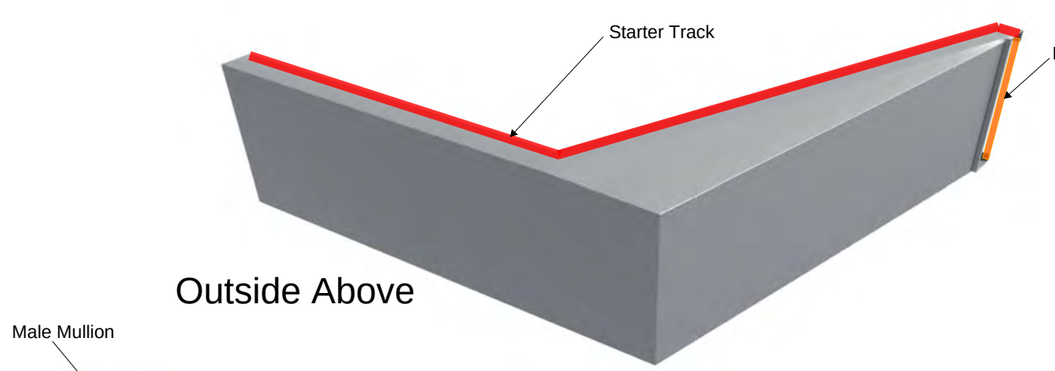
Both spandrel+infill and balcony window wall systems incorporate frames of custom profile, aluminum forming and a pressure equalized, dual-seal system. The building enclosure incorporates 40% glazing / 60% opaque wall to meet the prescriptive requirements of the California Energy Code. All windows incorporate insulating glass units with a high performance, neutral appearance, low-e coating on the second surface. Bird strike protection will be applied to glass in keeping with recommendations from the San Francisco Planning Department's Standards for Bird Safe Buildings. Bird safety is covered in greater detail in Section 03 of this report

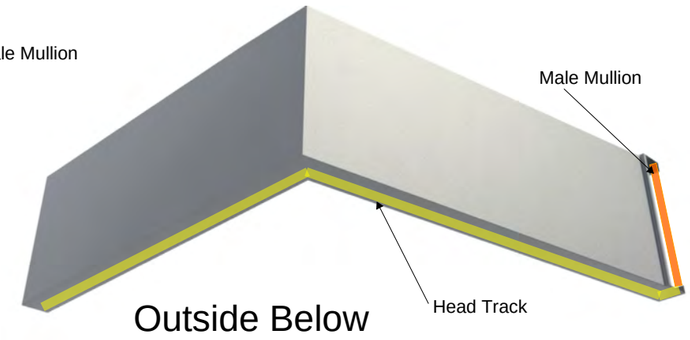


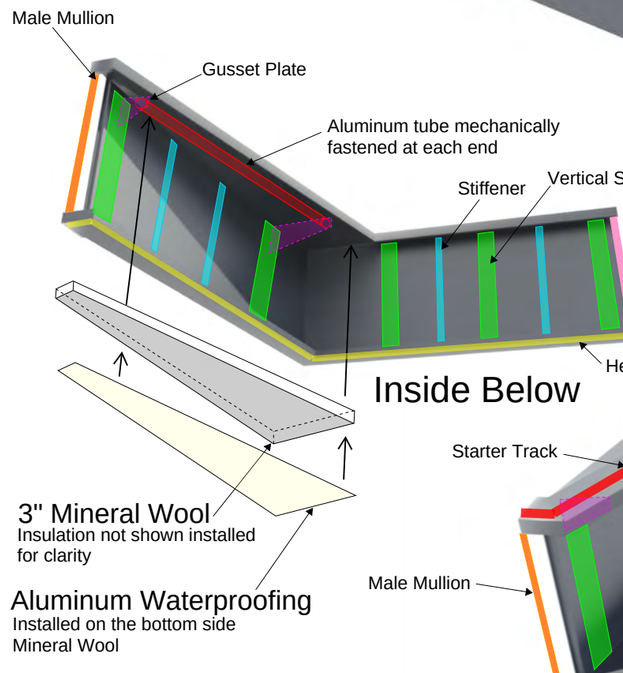


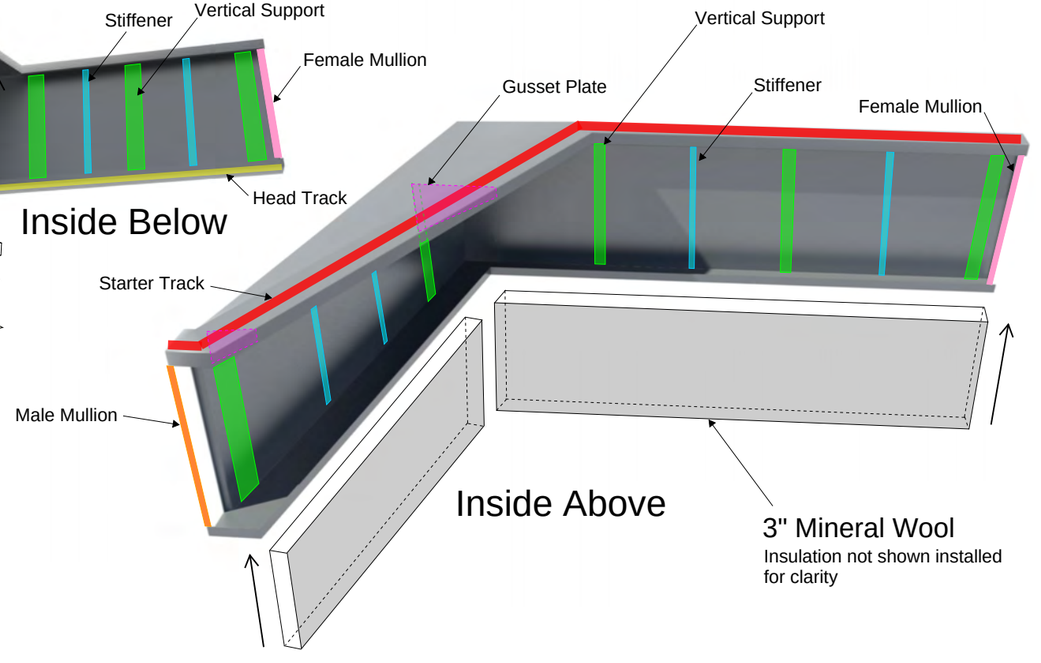
In order to emphasize the migrating geometry of the tower, every effort is made to eliminate jointing between aluminum panels. A traditional rainscreen system would degrade the tower's monolithic reading, adding joints and accumulating streaks of dirt more quickly. This curtain wall system depends on innovative engineering to enhance the unique design intent. Each spandrel unit is conceived as one 3D corner element that is cut, folded and welded out of as few pieces of aluminum as possible. Some of these units are as big as 14'-0" wide and 6'-0" deep. Instead of attaching a rainscreen cladding material to disguise a backing panel, the 3D spandrel is an integral unit that includes all of the internal support, insulation and waterproofing provided by a rainscreen backing while also allowing for a smooth, clean finish to be applied. The vertical and horizontal surfaces read as one mass as they transition from sill to spandrel to soffit. Extreme care has been taken to detail stiffeners and vertical supports to eliminate warping and oil-canning of the metal. Infill units are conceived as 2D planes but any jointing for seismic movement will be masked by the material change between solid and vision glass. Spandrel and infill units are assembled and prepped for attachment off-site so that they can be quickly raised into place on material hoists instead of tower cranes. This process will dramatically expedite overall construction time.

The roof mechanical screen matches the facade panels in color and is constructed from light gauge aluminum z-purlins spaced evenly to mitigate high winds at the top of the tower . The screen will be tied back to the structural core with a steel frame. More information can be found in section 02.7 of this report.









Starter Track
Extruded aluminum profile w/ 2 lines of continuous silicone and fasteners

Head Track
Extruded aluminum profile w/ 2 lines of continuous silicone and fasteners w/ 1 continuous gasket

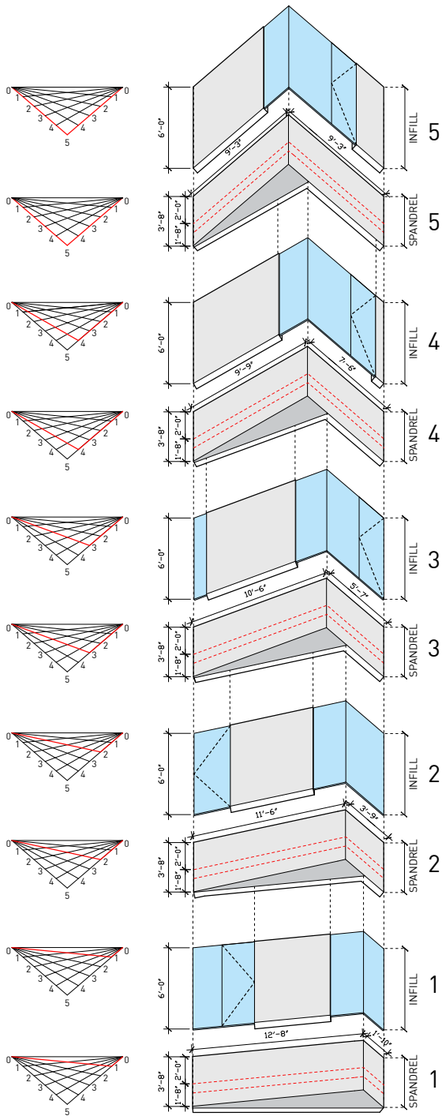
Vertical Support
extruded aluminum profile w/ 2 lines of silicone vertically with PSA foam tape continuous & mechanically fastened top and bottom

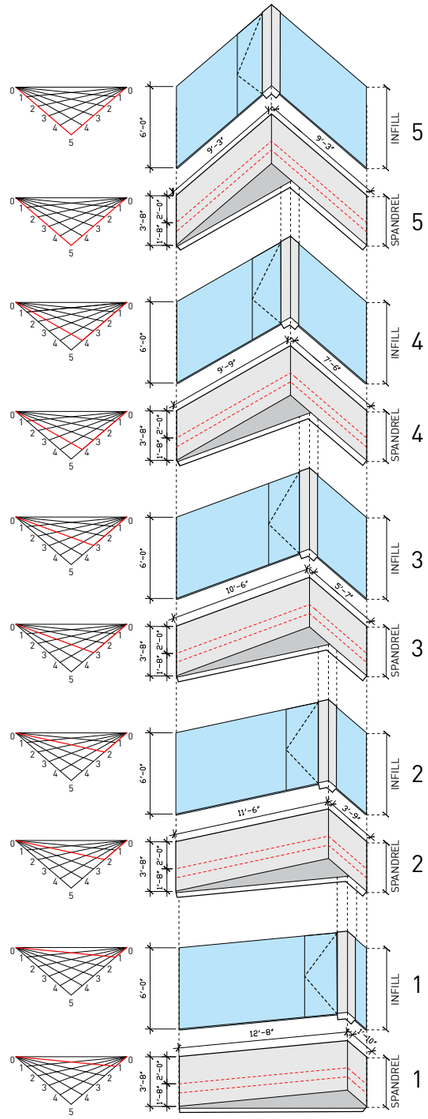
Stiffener
1 1/2 x 1 1/2 extruded aluminum stiffener tube w/ vertical silicone attachment & 1/4" PSA foam tape continuous

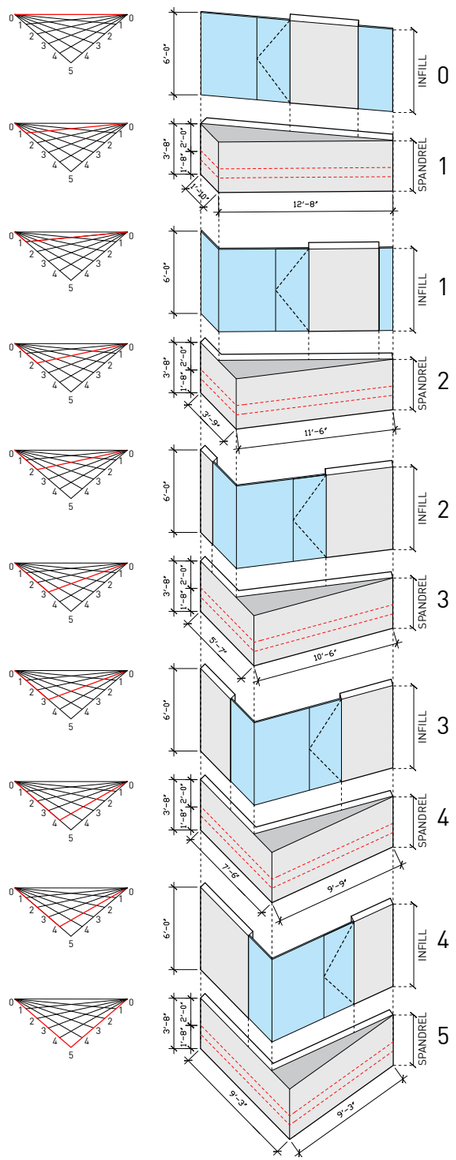
Gusset Plate
@ offset only, to be mechanically fastened to vertical support and return of aluminum panel

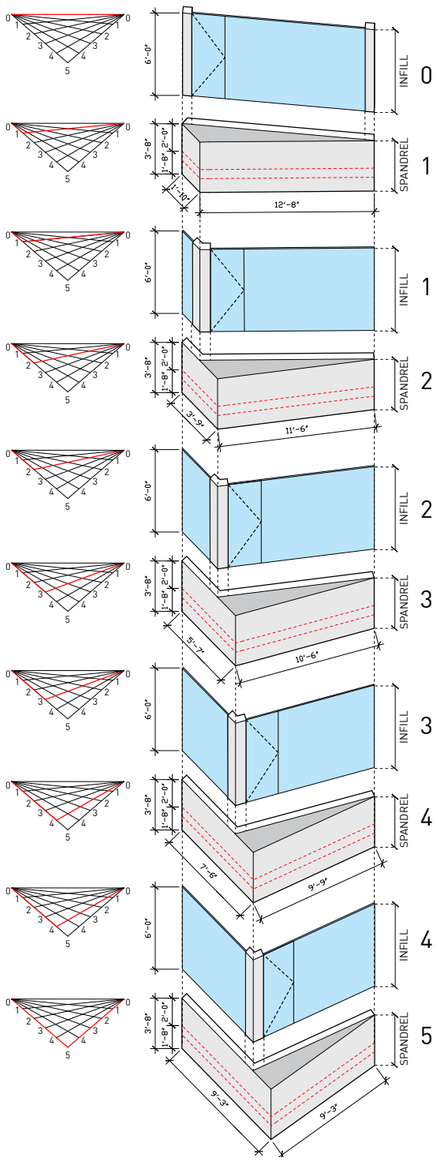
Male Mullion
Mechanically attached vertically and install one continuous vertical gasket

Female Mullion
Mechanically attached vertically and install 3 continuous vertical gaskets

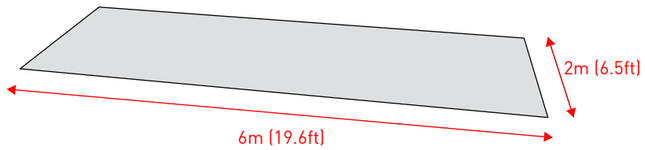

INFILL
SPANDREL
5
5
4
4
3
3
2
2
1
1
9'-0"
3'-8"
2'-0"
1'-8"
9'-3"
5'-7"
11'-6"
3'-9"
12'-8"
1'-10"
10'-6"


INFILL
SPANDREL
5
5
4
4
3
3
2
2
1
1
6'-0"
3'-8"
2'-0"
1'-8"
9'-3"
5'-7"
11'-6"
3'-9"
12'-8"
1'-10"
10'-6"


INFILL
SPANDREL
0
1
1
2
2
3
3
4
4
5
6'-0"
3'-8"
2'-0"
1'-8"
7'-6"
9'-9"
9'-3"
5'-7"
10'-6"
3'-9"
11'-6"
1'-10"
12'-8"

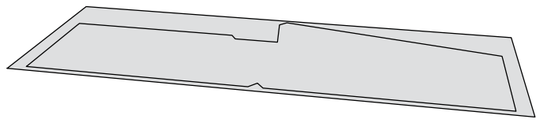

INFILL
SPANDREL
0
1
1
2
2
3
3
4
4
5
6'-0"
3'-8"
2'-0"
1'-8"
7'-6"
9'-9"
9'-3"
5'-7"
10'-6"
3'-9"
11'-6"
1'-10"
12'-8"

STEP 1: Flat 3mm thick panel imported from Germany (2m x 6m)

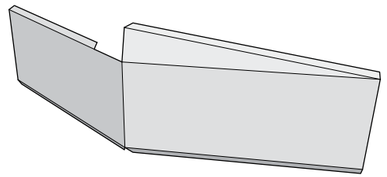


STEP 2: Unfolded panel cut from sheet.
Scraps recycled or used for misc. parts

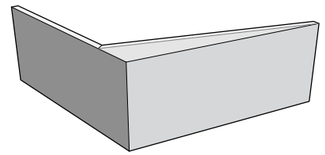
Surface pattern milled from 3mm to 1mm thick



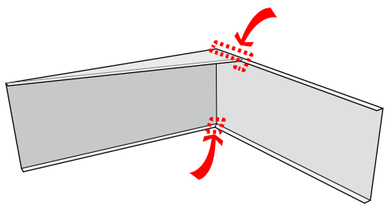
STEP 3: Flat panel break formed into bay configuration



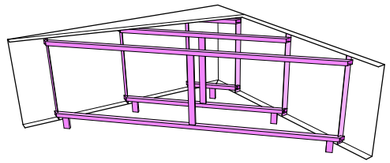
STEP 4: Final bay geometry
File edges and corners manually



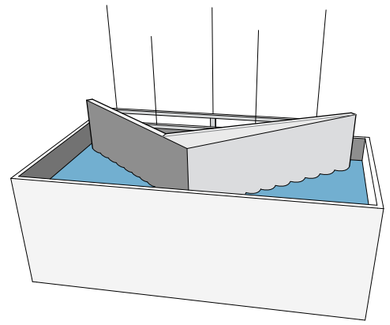
STEP 5: Two connection joints welded and ground and polish smooth



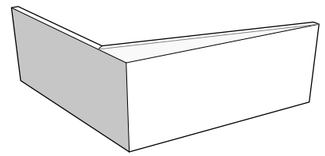
STEP 6: Temporarily brace panel for transportation to painting plant with reusable frame



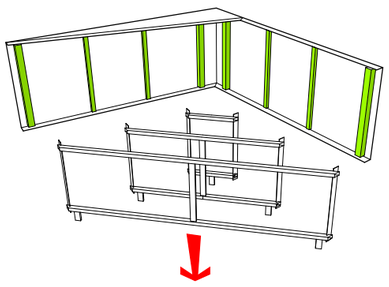
STEP 7: Add primer and dip bay in a series of 3 tanks to prep for painting



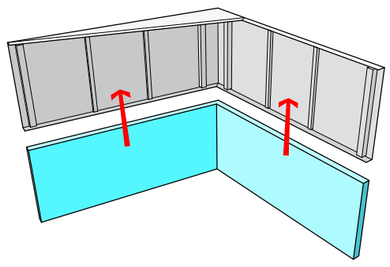
STEP 8: Powder coat, bake in conventional oven and apply electrostatic charge



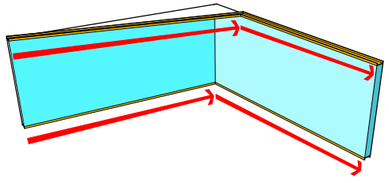
STEP 9: Remove bracing and fasten permanent stiffeners with structural silicone



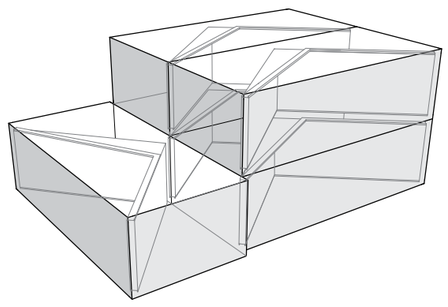
STEP 10: Install mineral wool insulation behind/between stiffeners



STEP 11: Add starter track and head track to receive infill glazing/solid on site



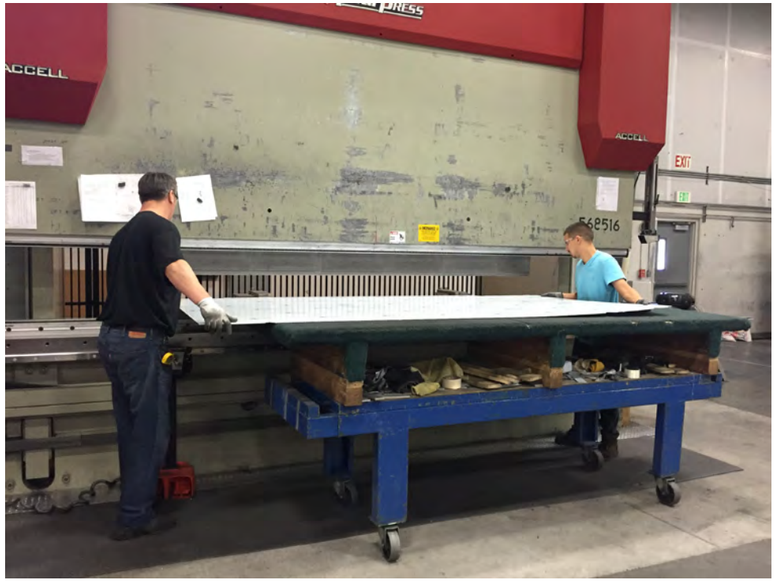
STEP 12: Package, nest and place on trucks for shipment to site



NOTE: @ 5 bays per day (minimum) one floor is delivered per week



CUT



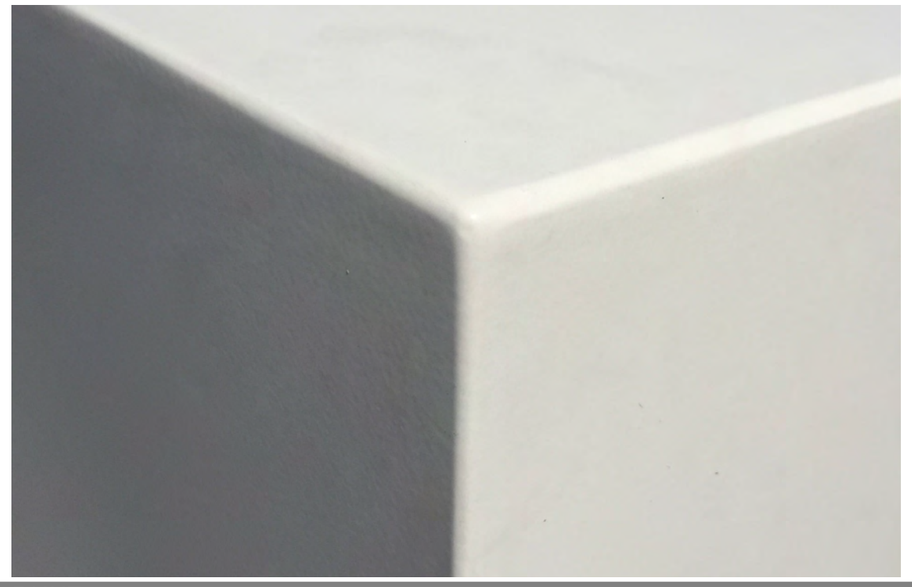
FORM



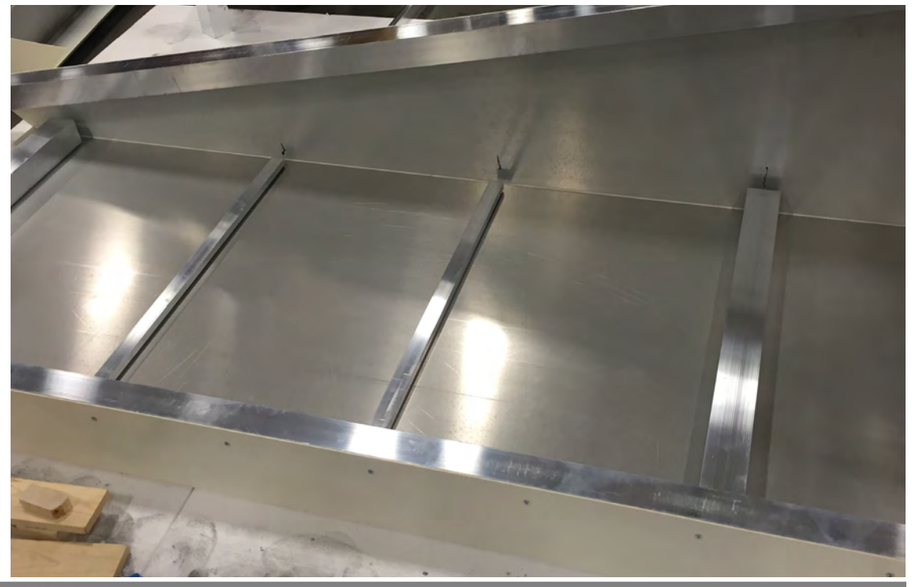
WELD



BRACE



PAINT



STIFFEN

02.4 TOWER RENDERINGS & AXONOMETRIC VIEWS


Spear



Aerial View Towards West with Folsom Street Entry Plaza

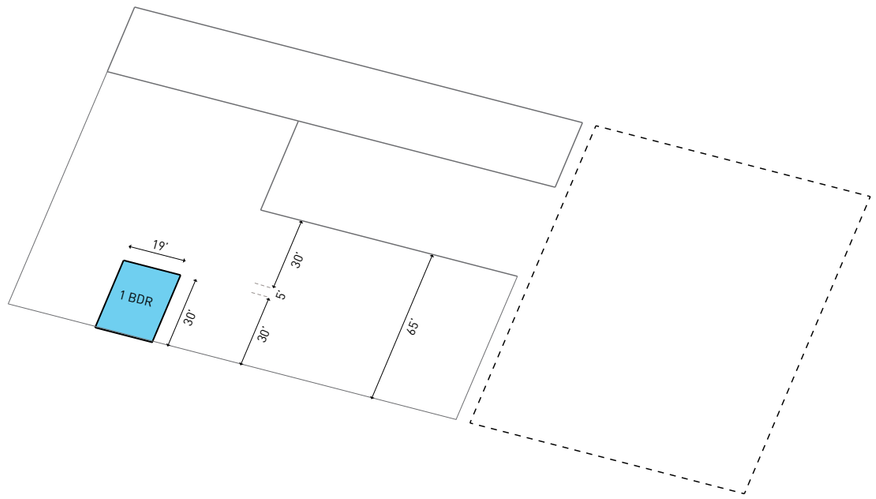


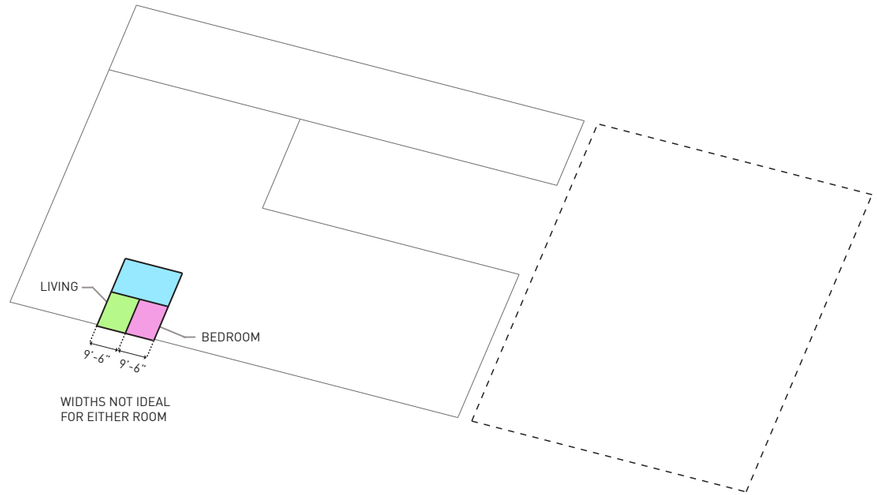
Aerial View Towards East

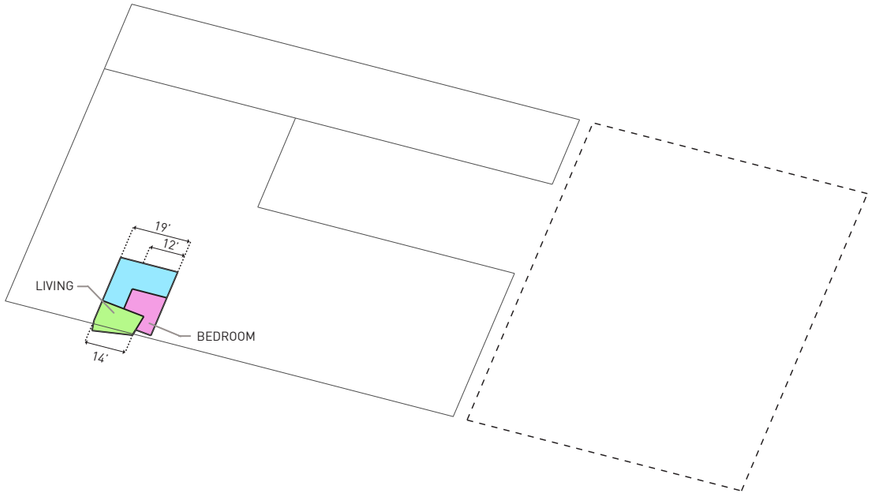
02.5 PODIUM & TOWNHOME DESIGN STRATEGY

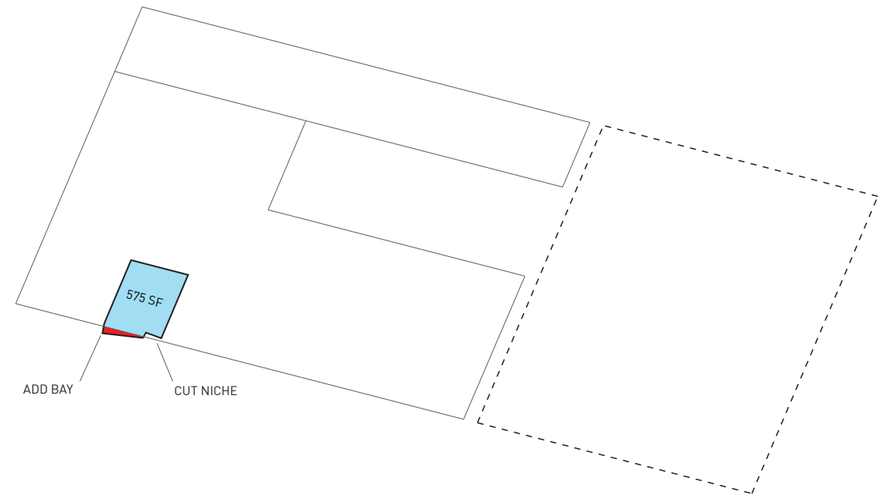
The podium and townhome massing are driven by a unique one-bedroom unit design. In order to maximize the parking and structural efficiency, typical in-line units have 19'-0" of frontage on the street. However, simply subdividing that space between living rooms and bedrooms into 9'-6" modules would create living spaces that are too narrow to be functional. To solve this problem, the one-bedroom units at Block 1 employ interlocking living rooms and bedrooms that together provide overall widths of 14'-0" and 12'-0" by disproportionately dividing the overall street frontage. Living rooms project out into bay windows to gather light from two directions and provide views up and down Folsom, Main, and Clementina Streets. Bedroom windows are set back into niches, to provide additional privacy from the adjacent bays while affording appropriately generous light and ventilation. This interlocking one-bedroom concept is deployed for all in-line units, leaving greater square footage at the corners for flexible two- and three-bedroom units.

In contrast to the tower's sleek, monolithic 3D panels, the podium and townhomes employ a materiality that is better suited to their smaller urban scale. The podium building is conceived as the intersection of two distinct masses, one containing the projecting living room bays, clad in roughly 2'-0" by 6'-0" aluminum composite panels, and the other containing the recessed bedroom bays, clad in corrugated aluminum.



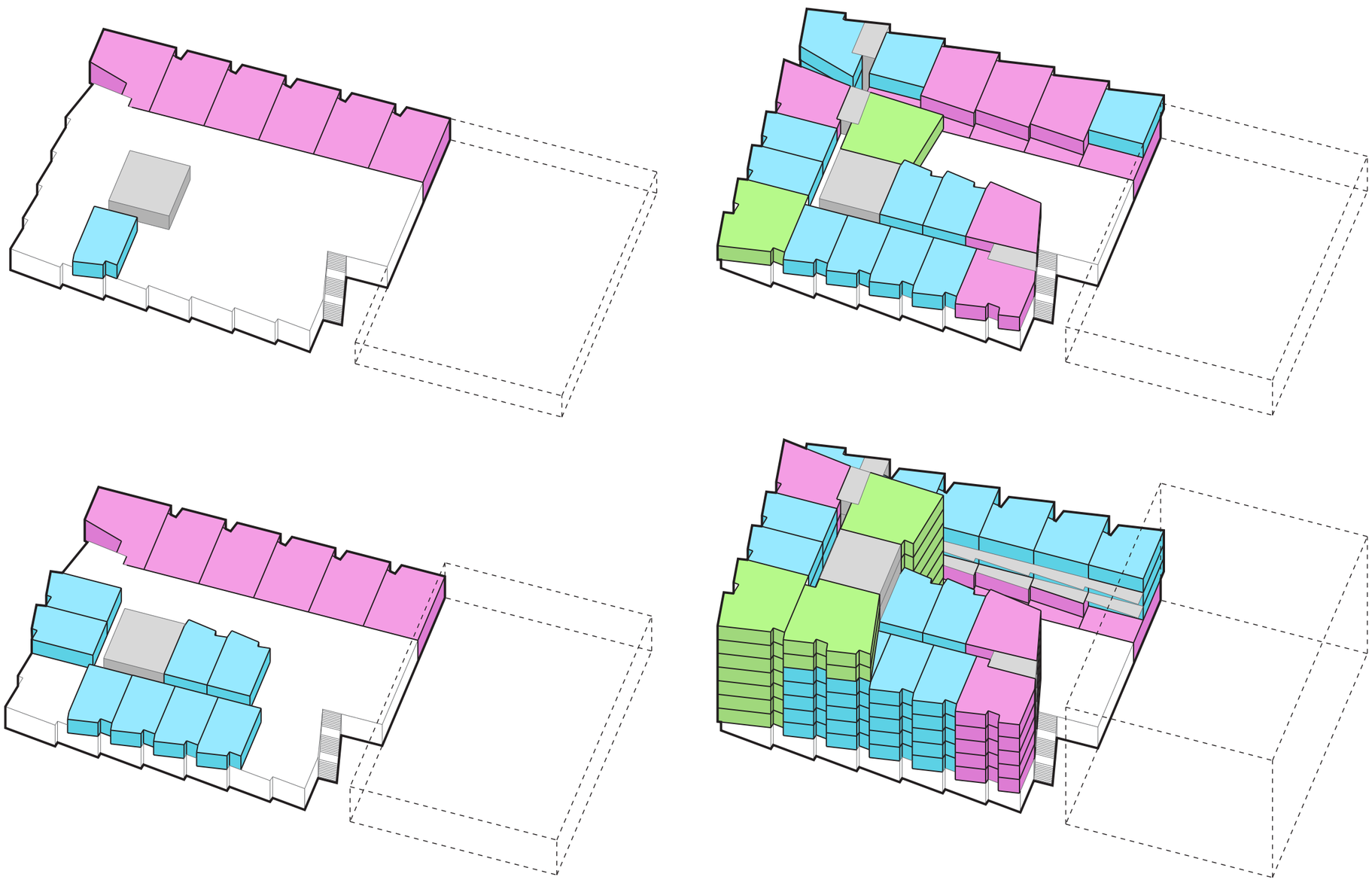




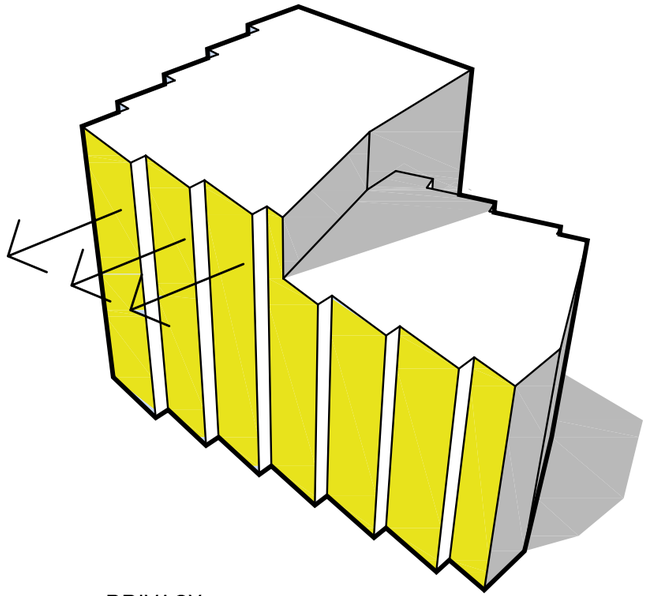


In contrast to the gray aluminum and green glass of the immediate context, the podium's sienna color and neutral glass add a richness through difference to the development area, while creating an architectural dialogue with a number of brick buildings that form the original urban fabric of the South of Market neighborhood.

The block's smallest component, the four-story townhome block, employs iron spot brick at the ground floor and within the bedroom recesses, with textured cementitious panels at the projecting bays of the living rooms. The stoops and bay window soffits are clad in wood. These materials demonstrate a tactility and module size that are suited to the pedestrian experience of Clementina Street. There is an intentional increase in the material module size at the eight-story podium, in proportion with the overall size of the massing and associated community, and likewise at the 39-story tower, where the bays themselves become a customized, modular unit of the tower's construction.

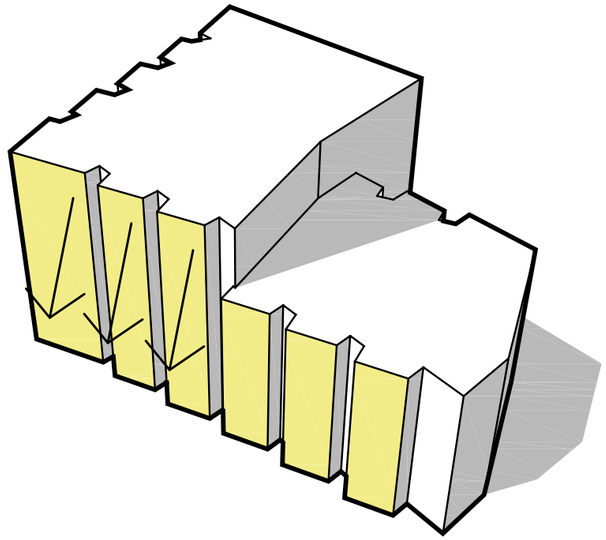


1. Terra cotta tiled backdrop mass
contains bedrooms, retail and parapets



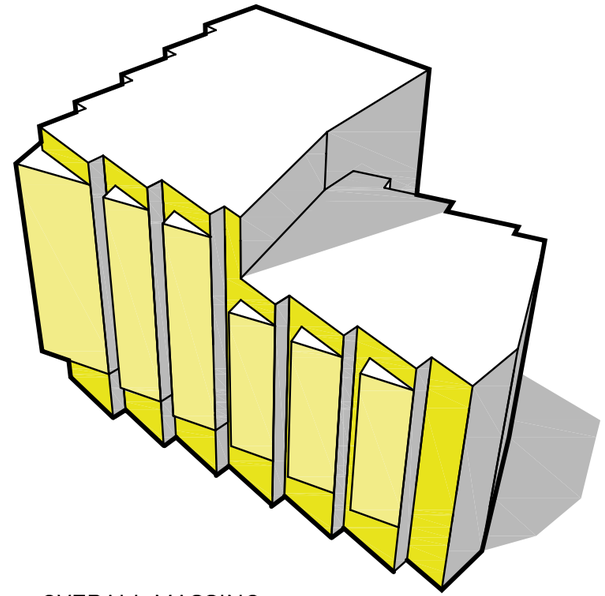
PRIVACY:
Sawtooth oriented to avoid bedroom
view into neighboring unit

2. Gray plaster cantilevered bays
contain living rooms



VIEWS:
Sawtooth oriented for optimal living
room views

3. Merged masses



OVERALL MASSING:
Living room mass stops short of
storefront below and parapet above to
create bay window

PODIUM & TOWNHOME RENDERINGS





Podium View from Folsom



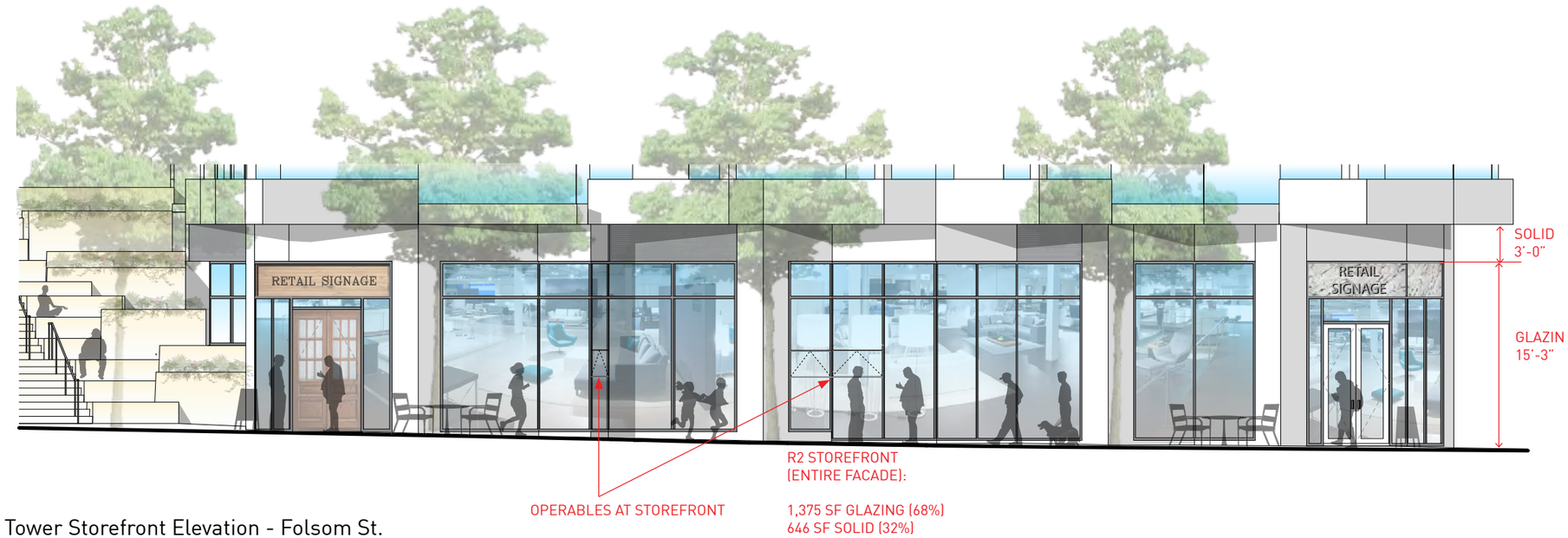
Townhouse and Podium View from Main St.

02.6 GROUND FLOOR STOREFRONT

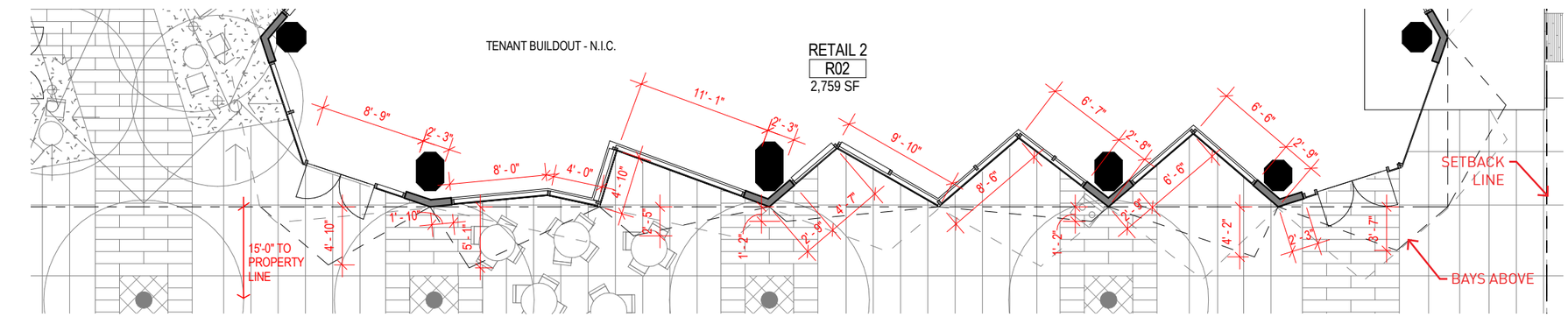
Ground floor retail storefronts have bay articulations and material pallets similar to the residential facades above. These bays occur every 10-20 feet to provide adaptability for future retail tenants. All retail spaces have a minimum depth of 30'-0". Both tower and podium storefronts are approximately 66% fenestrated and at least 75% of window and door surfaces are transparent.

The tower storefront solid material matches the tower in color, grounding it on the site. Material options are currently under study. Stone, precast concrete and aluminum are being evaluated. The podium storefront solid is composed of the same "backdrop" material as the facade above. This material is envisioned Sienna colored corrugated metal that will contrast the flat metal bay projections. On both buildings, the bays above act in the place of individual retail awnings. These bays provide cover without introducing a foreign architectural element into the facade. Signage and retail exhaust will be incorporated into the solid band at high level. Entries to the tower and podium are differentiated from retail entries by screening elements or fritted glass adjacent to the entries. This screening provides a sense of privacy for lobby seating and back of house functions while maintaining views out into the "living street" landscape on Main and Spear Streets.

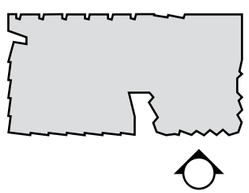
Trash/recycling from the tower, townhouses and podium is collected at Level 01 trash rooms and picked up at the loading dock at the northern end of Clementina St. The loading dock is strategically located to minimize visual impact on Spear St. and adverse effects on pedestrian traffic on Clementina while providing easy pick-up and maintenance. Loading dock doors are opaque and attractively designed to blend with the overall Clementina St. facade. Level 01 townhouse residents that do not have access to a trash chute are provided a convenient trash/recycling room adjacent to the loading dock.

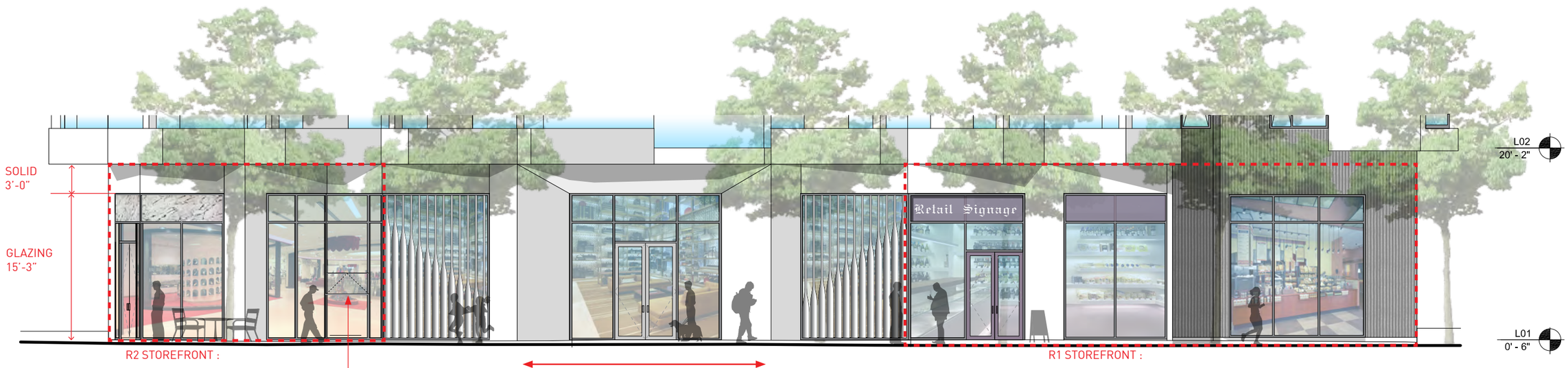


Tower Storefront Elevation - Folsom St.

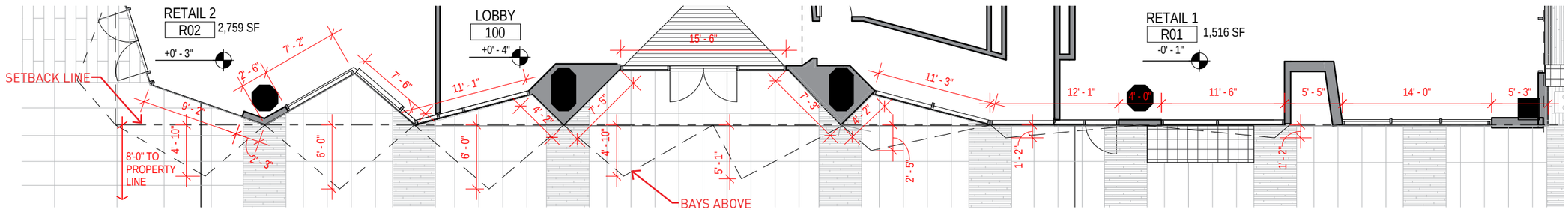


Tower Storefront Plan - Folsom St.

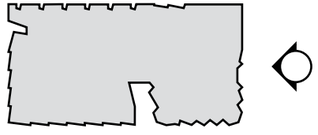




Tower Storefront Elevation - Spear St.



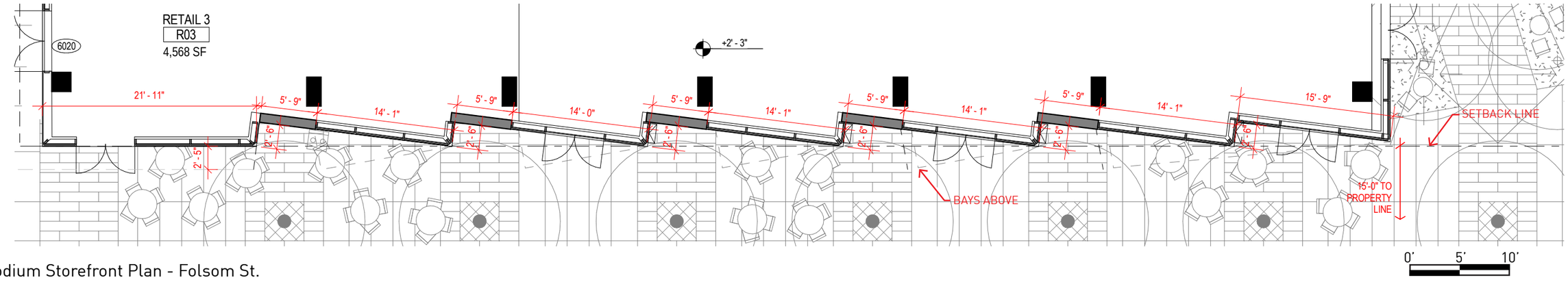
Tower Storefront Plan - Spear St.



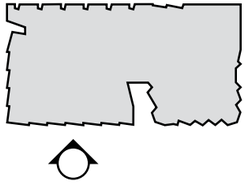
0' 5' 10'



Podium Storefront Elevation - Folsom St.

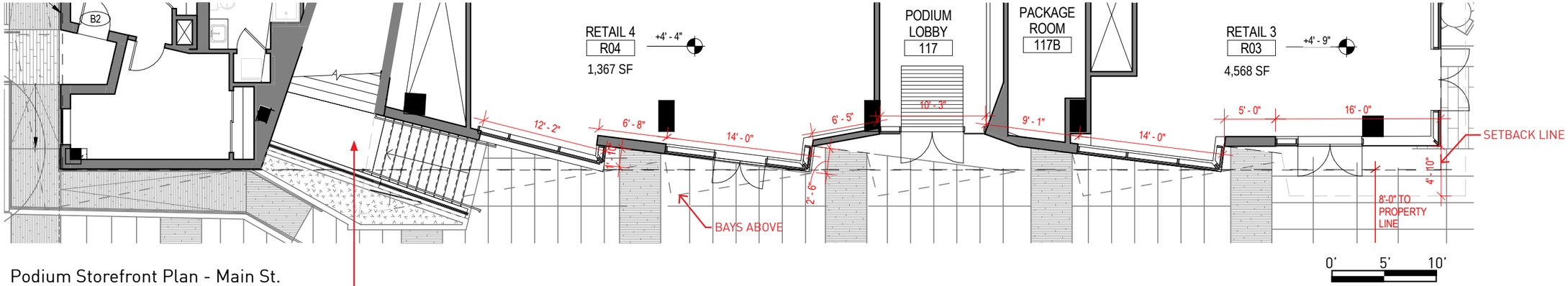


Podium Storefront Plan - Folsom St.

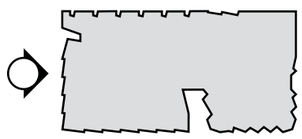




Podium Storefront Elevation - Main St.



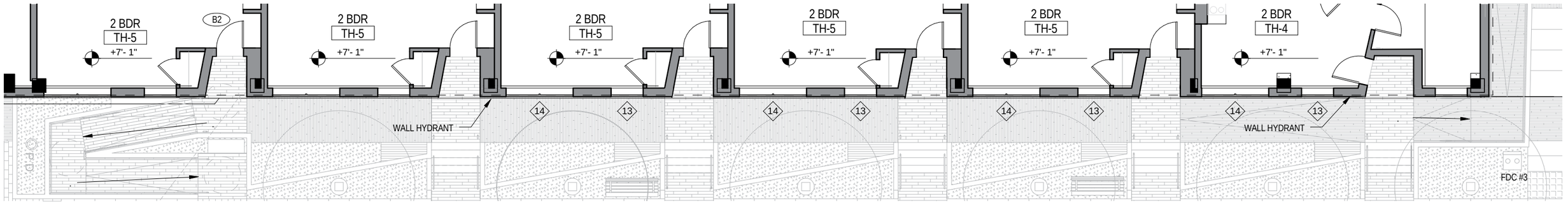
Podium Storefront Plan - Main St.



STAIR TO COURTYARD



Townhouse Elevation - Clementina St.



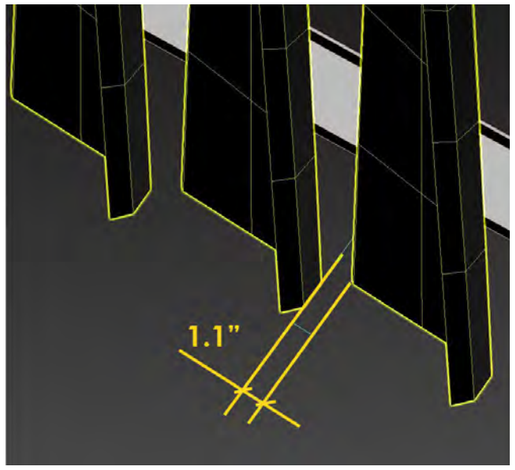
Townhouse Entry Plan - Folsom St.

02.7 TOWER ROOF MECHANICAL SCREEN

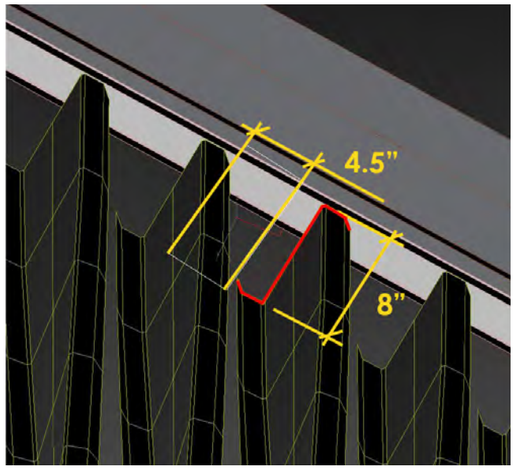
Twisted z purlin roof screen
Painted to match tower panels



Twisted Z Purlins - Details



1 inch gap at bottom of screen



4.5 inch gap at top of screen



Folsom St. View showing Roof screen



Transbay Park View

03 ENVIRONMENTAL STRATEGY

03.1 ENVIRONMENTAL STRATEGY

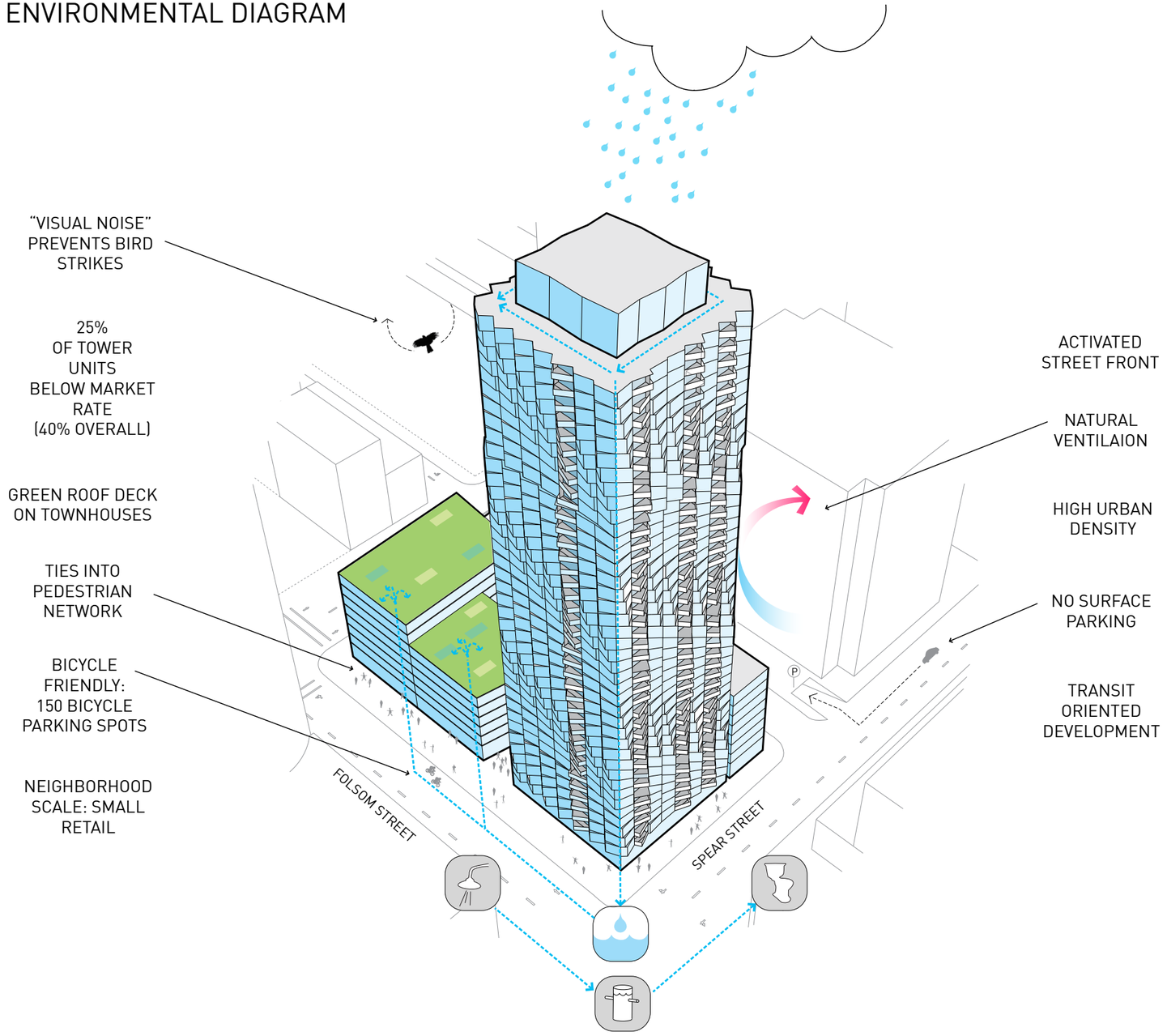
Transit Oriented Development

The design team is committed to meeting and, when possible, exceeding environmental strategies mandated by the San Francisco Green Building Code, Title 24 and LEED. Some of these goals cannot necessarily be quantified by rating systems but nonetheless contribute to the overall wellbeing of the residents and community at large. Block 1 is a Transit Oriented Development and adheres to sustainable principles that are vital to the Transbay Redevelopment. The site is within walking distance of Muni and Bart Stations, the Ferry Terminal and the future Transbay Terminal. Street parking will be reduced by moving car parking underground creating safer ties into the existing pedestrian network. In order to encourage bicycle use, the scheme currently accommodates 150 bike parking spaces which exceeds the amount required by the Transbay Design Controls and Development Guidelines.

Community Wellbeing and Urban Ecology

Accessible green roofs will be provided as amenity spaces for in the Level 2 courtyard and on Level 5 of the Townhouses. In addition, every living room and bedroom in the project will include natural ventilation. All units will feature built in recycling in the kitchens. In an effort to be sensitive to the city's urban ecology, various measures will be taken to protect the local and migratory bird populations that move through San Francisco annually. Protective frit will be applied to all "feature-related hazards" including balcony railings. A low window/wall ratio (less than 50%) will reduce reflections and the migrating bays will produce "visual noise" to mitigate bird strike. Exterior lighting will also be kept to a minimum so as not to disorient birds during migration.

ENVIRONMENTAL DIAGRAM



Water Re-Use Strategy

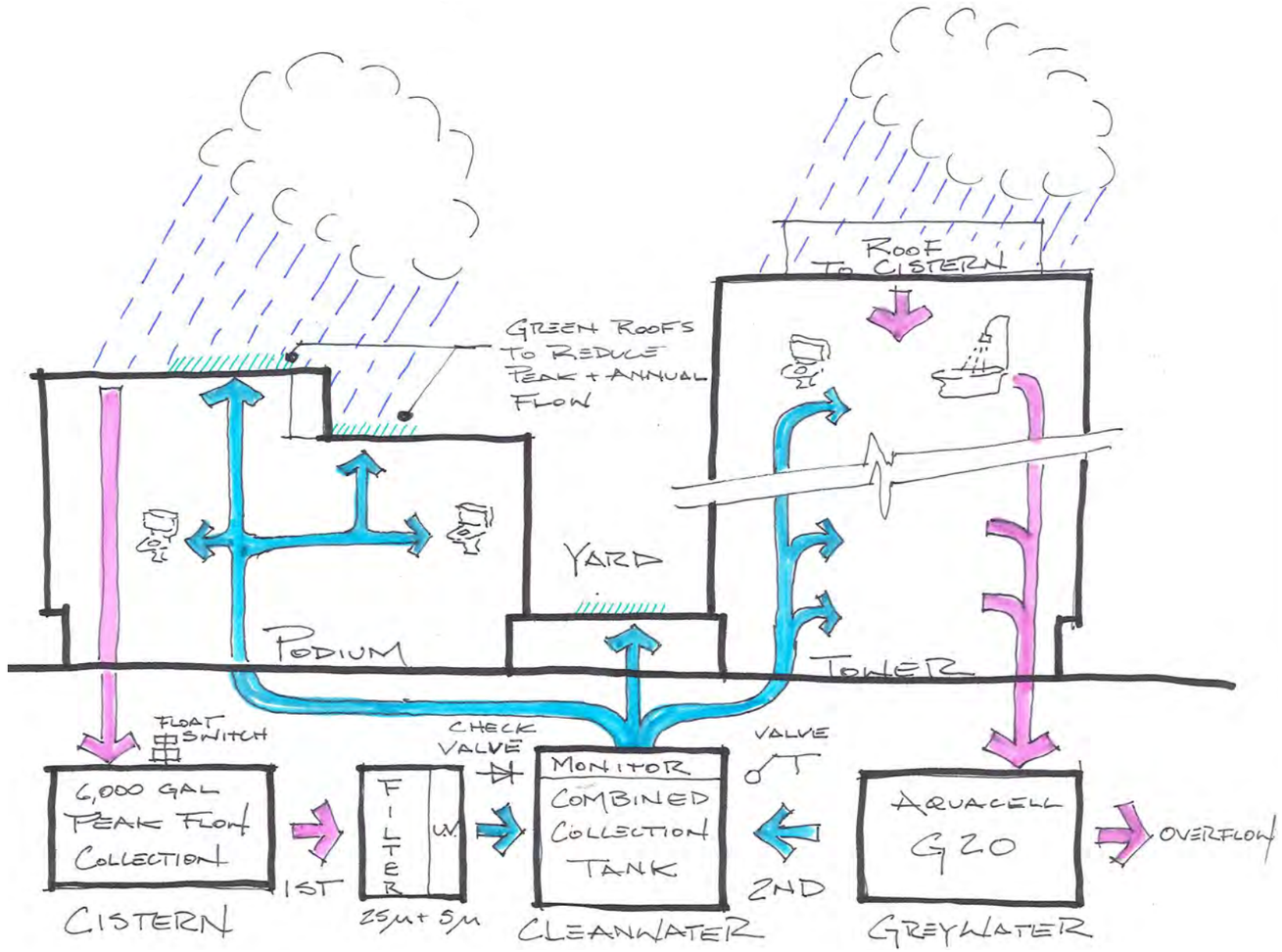
Sustainable design technical guidance during the SD phase included an in-depth assessment of water re-use options and benefits. Addressing water re-use options is vitally important since California is currently experiencing serious drought conditions.

The water re-use scheme involves non-potable water collected from rainwater falling on the roof and site. Water is also being collected from showers/tubs of the high-rise tower making use of the "purple pipe" system required by the city's Recycled Water Ordinance. Treated non-potable water from the system will be used to supply the landscape subsurface irrigation for planting areas in the project. This will include vegetated green roof areas, as well as supplying toilet flushing water for the tower, podium, and townhouses.

Energy Efficiency and LEED Goals

In lieu of a typical hybrid heat pump system, the project will incorporate hyper efficient VRF units for heating and cooling. In addition to a reduced energy footprint, these units obviate the need for a cooling tower, saving water. They are also, smaller, quieter and require slightly less mechanical plant than traditional systems.

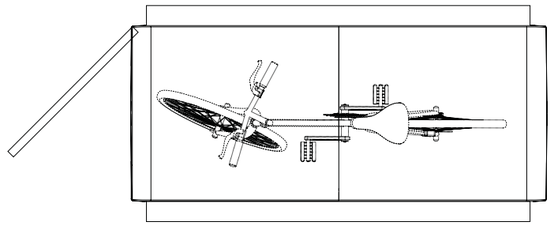
The City and County of San Francisco's Green Building Code (SFGBC) requires a minimum rating level of LEED Silver (50 points) for high-rise residential projects. This project will pursue a Silver level certification under the LEED for New Construction v2009 rating system. The project team is targeting roughly 60 points for the LEED submittal in order to provide a contingency as project details may change and Green Building Certification Institute (GBCI) review results vary. The 60 points includes LEED credits related to incorporating a greywater system.



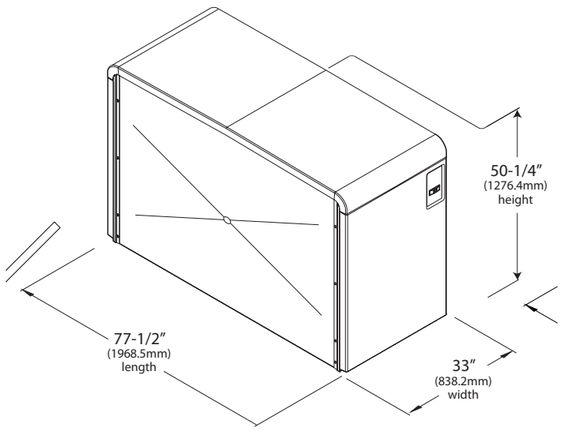
03.2 BIKE PARKING

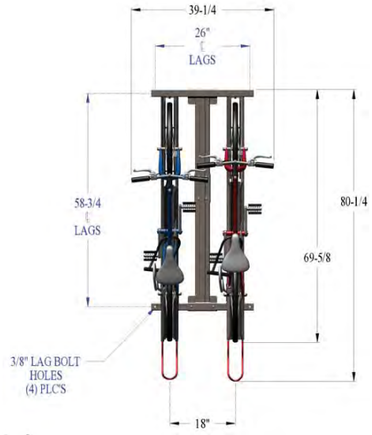
Bike parking facilities are vital to the success of Block 1 as a Transit Oriented Development. Approximately 150 bike parking spaces are planned, exceeding baseline OCII recommendations by roughly 30%. A variety of options are provided to cater to the differing needs of tenants at Block 1. Type A Lockers as well as Type C stacker racks and Type D vertical hangers are available in the main tower bike room adjacent to Clementina Street with direct access to the tower core. Type C stacker racks are provided in the Lower Level tower bike rooms located within the tower core next to the elevators. The main podium bike room houses Type C stackers and is situated directly adjacent to the Podium Core.

A number of bike racks are provided within the landscape to allow for bike parking near retail on Spear, Main and Folsom Streets. Exterior bike racks are designed and located in keeping with Transbay Guidelines and CMG recommendations. Notional locations are identified in Section 4 below.

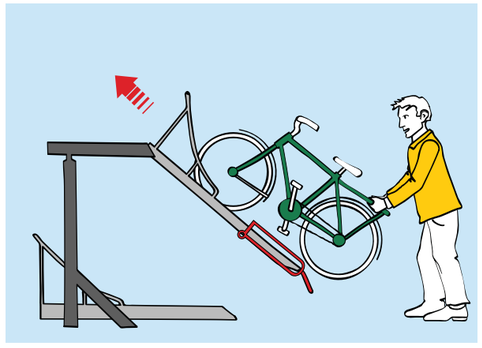


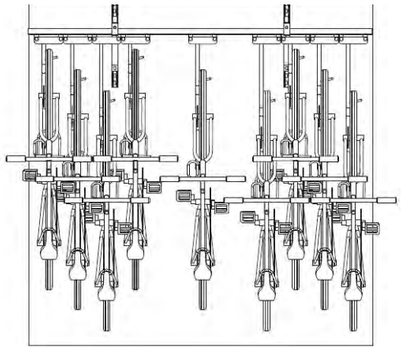
SINGLE DOOR SINGLE BIKE UNIT

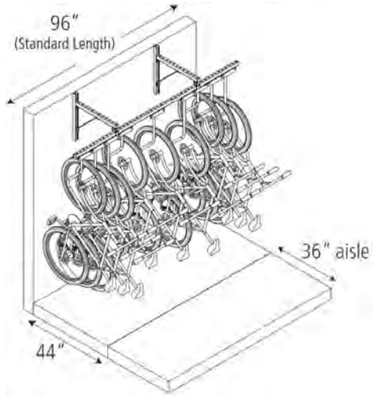




PLAN









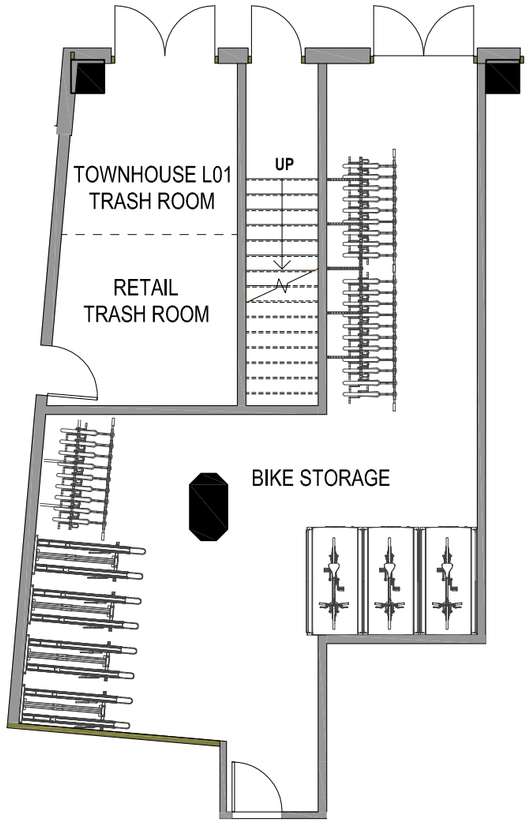
Class A Bike Lockers



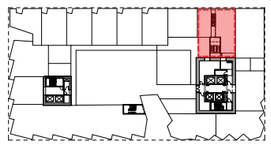
Class B Bike Stacking Rack

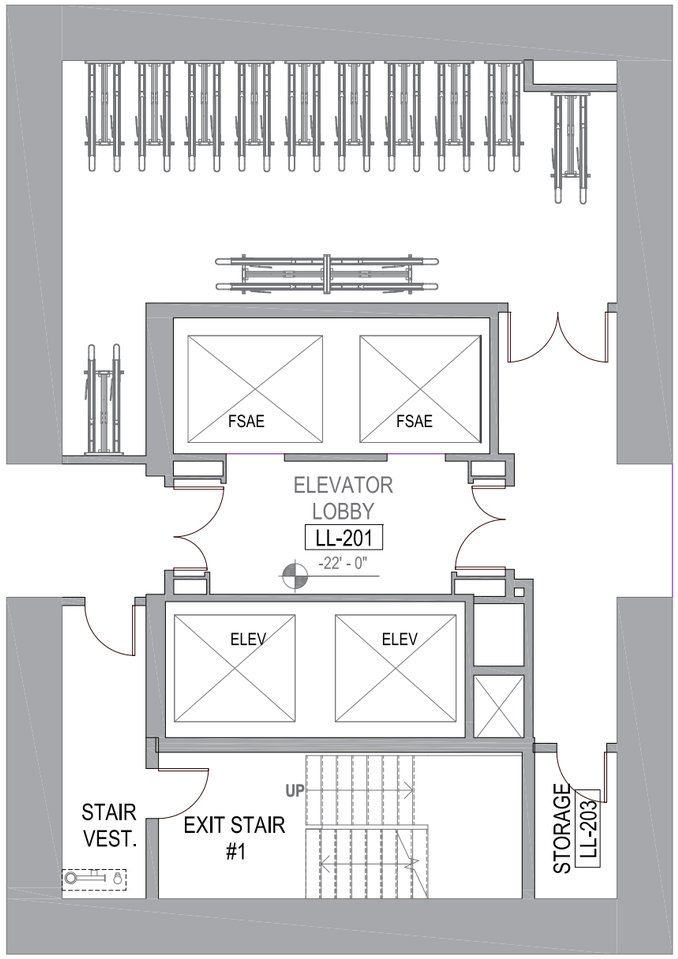


Class B Bike Hanging Rack

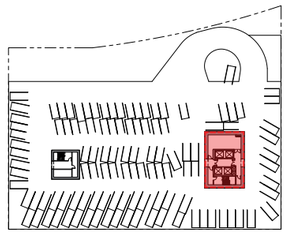


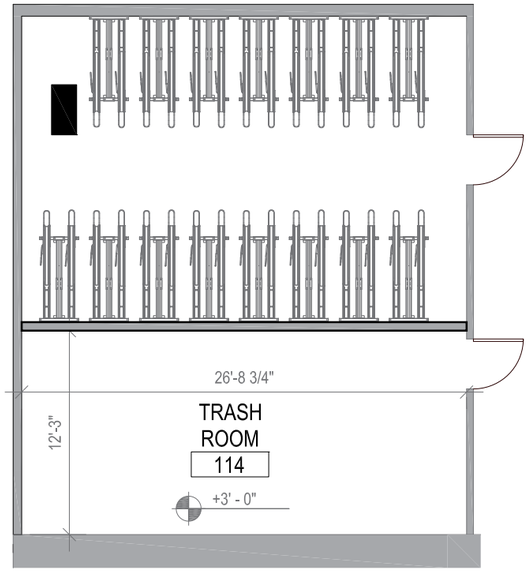
Main Tower Bike Room:
50 bikes



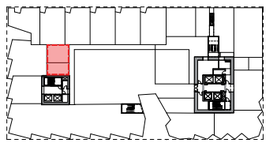


LL2 & LL3 Bike Rooms:
25-50 bikes





Main Podium Bike Room:
40-50 bikes



30 Additional Bike Lockers on LL01
(See Page 15)

BIKE PARKING ANALYSIS

Bicycle Parking Spaces Provided:
Class 1: 150 (all bikes @ Block 1 are Class 1)

Required per Transbay DCDG:
Class 1: 45

Required per San Francisco City Planning Code:
Class 1: 172
Class 2: 19

04 LANDSCAPE DESIGN

04.1 LANDSCAPE CONCEPT

Transbay Block 1 (TBB1) is uniquely situated within the South of Market district and the Transbay Redevelopment Area as the eastern most block of the redevelopment area, and is an opportune linkage between Transbay Park, the Embarcadero and the San Francisco Bay beyond.

The unusual opportunity at TBB1 is one of creating linkages through the landscape with a plan that elevates the urban design goals as well as fulfilling goals centered on urban ecology. Our conceptual diagram entitled Ecological Corridor Concept Section highlights the opportunities for landscape connectivity through the project and defines the areas of design focus for our team. An aspiration to balance human development needs is combined with a desire to create a built environment that provides additional ecological benefit.

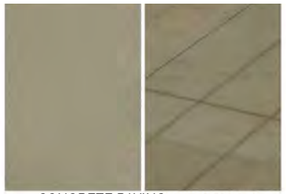
The design recognizes the potential for this site to create both a building and a landscape that improves the urban environment through provision of avian and insect habitat, water conservation strategies, and vegetated roofs and courtyards. The shared design language between the building and the landscape includes an authenticity of materials, a focus on texture and tactility, and an angular and faceted, non-orthogonal, straight-line geometry. The landscape design creates a vibrant, urban environment characteristic of downtown San Francisco, encompassing contrasts – colorful and homey, timeless and contemporary, diverse and simple, durable and sensitive. Paving, lighting and street furniture were developed following the Streetscape and Public Open Space Plan



SITE PLAN 1/32” = 1’-0”

04.2 LANDSCAPE MATERIALS

FOLSOM STREET



A *CONCRETE PAVING*
DAVIS CONCRETE - SIERRA



B *PERMEABLE TREE WELL*
ADDAPAVE - DOVE GREY



C *GRANITE PLANKS*
ACADEMY BLACK



LOPHOSTEMON CONFERTA
BRISBANE BOX

PAVING



1 *CONCRETE PAVING*
WARM TONE



2 *CONCRETE PAVING*
GRAPHITE/COOL TONE



3 *ASPHALT PAVER*



4 *GRANITE SETS*
ACADEMY BLACK



5 *NARROW MODULAR*
UNIT PAVERS



6 *DECOMPOSED GRANITE*
WARM TONE



7 *TACTILE WARING PAVER*

MATERIALS





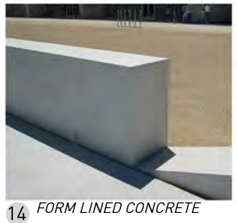
11 *CORTEN - ACCENT AT CLEMENTINA*



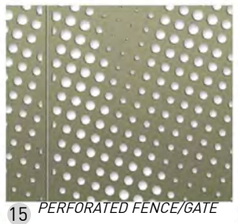
12 *ARTIFICIAL TURF*



13 *BOARD FORM CONCRETE*



14 *FORM LINED CONCRETE*



15 *PERFORATED FENCE/GATE*

SITE FURNISHINGS



21 *JAKOB ROPE SYSTEM*
SS CABLE



22 *MILENIO BENCH*
LANDSCAPE FORMS



23 *WOOD BUILT-IN SEATING*



24 *WOOD SEATING (not IPE)*



25 *MOVEABLE TABLES & CHAIRS*



26 *MOVEABLE CHARS*



27 *BIKE RACK*



28 *TRASH &*
RECYCLE



29 *METAL*
HANDRAIL

TREE OPTIONS

CLEMENTINA TREE OPTIONS



FAGUS SYLVATICA
EUROPEAN BEECH



GINGKO BILOBA
AUTUMN GOLD GINKO



ACER RUBRUM "BOWHALL"
BOWHALL RED MAPLE



CARPINUS BETULUS
EUROPEAN HORNBEAM

MAIN TREE OPTIONS



LIQUIDAMBAR STYRACIFLUA
AMERICAN SWEET GUM



TILIA CORDATA
LITTLE-LEAF LINDEN



ULMUS PARVIFOLIA "ALLEE"
CHINESE ELM

SPEAR TREE OPTIONS



FRAXINUS UDHEI "TOMLINSON"
EVERGREEN ASH



TILIA CORDATA
LITTLE-LEAF LINDEN

04.3 STREETSCAPES

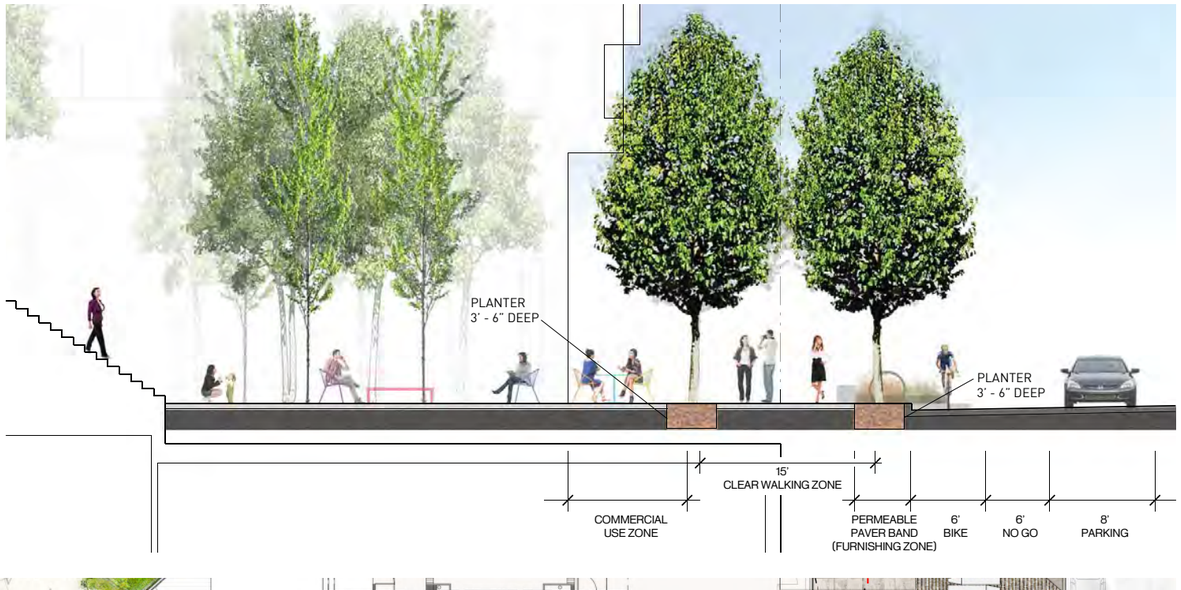
FOLSOM STREET

The materials of the Transbay Block 1 streetscape include the following common block-wide standards: integral color c.i.p. concrete paving, unit pavers, granite setts, pre-cast concrete benches, iron tree grates, and pedestrian street light fixtures. All plantings are native or drought-adapted and selected for additional habitat value where appropriate.

Folsom Street as the "neighborhood main street" of the Transbay Redevelopment Area realizes the concept plan intentions as a generous and distinctly urban street with broad sidewalks, a double row of street trees, and dedicated space for seating, site amenities and a storm water rain garden.

The rhythm of the street is established by bands of granite pavers that unite the building façade and the tree spacing. The trees frame a broad walking zone in the middle of the sidewalk as well as seating areas with moveable furnishings adjacent to the retail frontages. The use of tree grates maximizes the usable sidewalk. 3'-6" deep planters are provided for all trees within the streetscape.

There is a zone of unit pavers at the back of the curb that differentiate a street-side furnishing zone where seating and light fixtures are located. A rain garden located at the corner of Folsom and Spear Streets is surrounded by pre-cast concrete seat wall/benches and receives sidewalk storm run-off.





0' 20' 40' 80'

FOLSOM STREET STAIR



0' 10' 20'

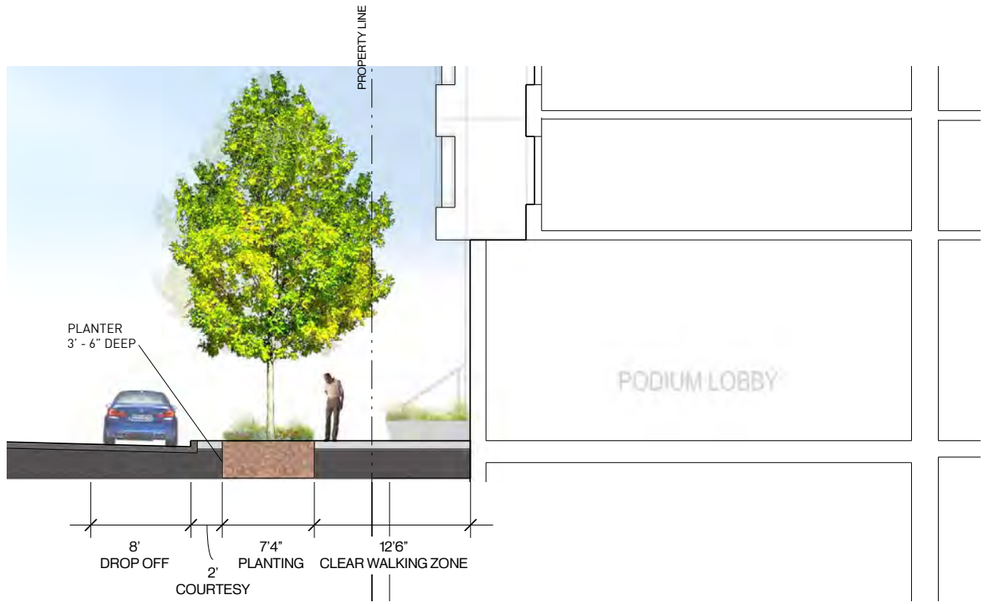


MAIN STREET

Main & Spear Streets have a distinct character as “linear park streets” creating a greenbelt with connectivity to the new Transbay Park as well as other surrounding open space resources.

Main Street is an important link in a chain of contiguous parkway streets. Generous planting areas with tree planting and occasional seating and public amenities create a popular pedestrian thoroughfare within the neighborhood. At the entry lobby to the TBB1 low-rise residence there will be outdoor seating and hardscape for drop-off, socializing and waiting.







SPEAR STREET

Spear Street, as the broader frontage and a pedestrian parkway street, will have a double row of trees within the linear park areas. Each park area along the length of our block will share a family of materials while having a distinct program and layout configuration. At the TBB1 high-rise tower lobby there is an outdoor room, as a companion to the interior lobby, used for waiting, socializing, and drop-off and pick-up by vehicles. Additional programs include artificial turf dog relief area(s), seating areas, and planted passive park-scape. There is a raised, retaining seating edge along the planting areas that slopes down to flush condition towards curb side.



CLEMENTINA STREET

Clementina Street is a pedestrian-oriented street and an important east-west connector across the neighborhood.
The Street's primary functions within the block are:

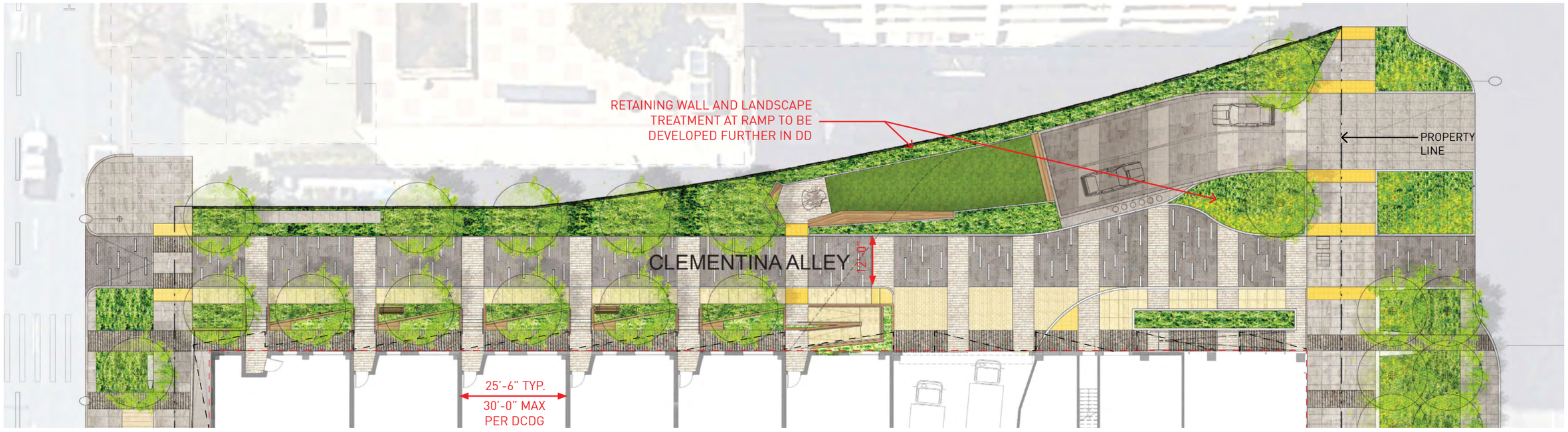
- Pedestrian Lane
- Entry access to townhomes
- Support of low-volume neighborhood vehicular traffic
- Delivery truck access for the tower
- Parking structure access at the east end
- Provision of shared open space and a green habitat corridor

Clementina is a quiet walkable street it features:

- Traffic calming by way of raised crosswalks at its east and west ends
- An easily navigable pedestrian-focused way that accommodates vehicles and delivery trucks
- A street that features substantial planting and regularly spaced tree plantings that are reinforced by a rhythmic paving pattern
- Clearly defined open space and service areas

Additionally we are creating grade separation of approximately 28" and modulation at the first floor townhouse entries with individual identity at each entry. This separation is supported by the street section configuration. All portions of railing above 3'-0" are at least 60% transparent when viewed from the street and are a maximum of 42" high. Recessed entries and variations in paving clearly distinguish ground floor townhouse entries



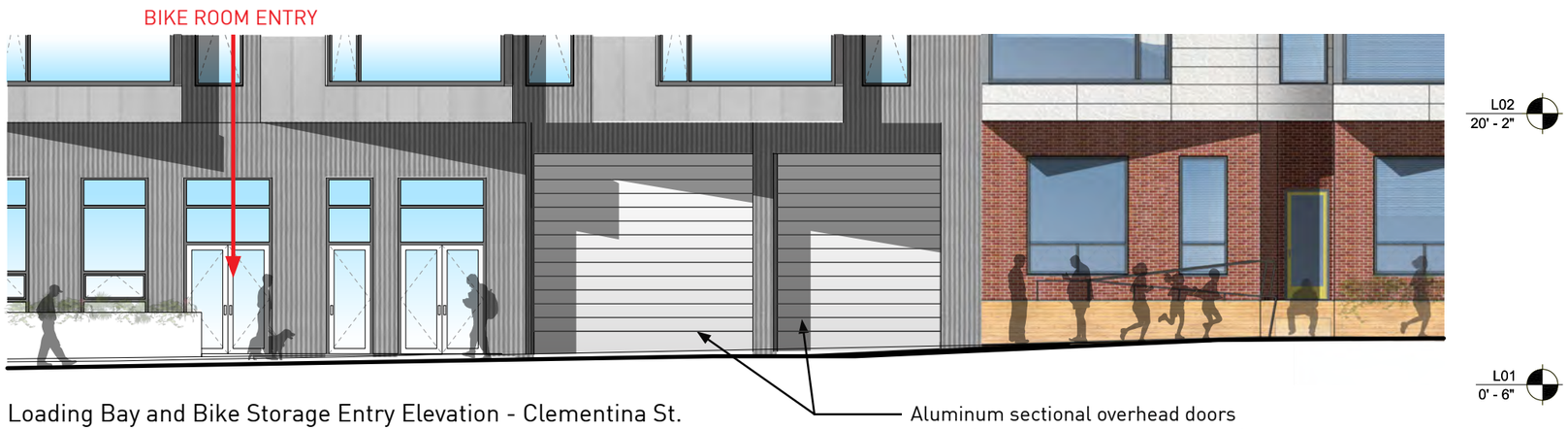


0' 20' 40' 80'

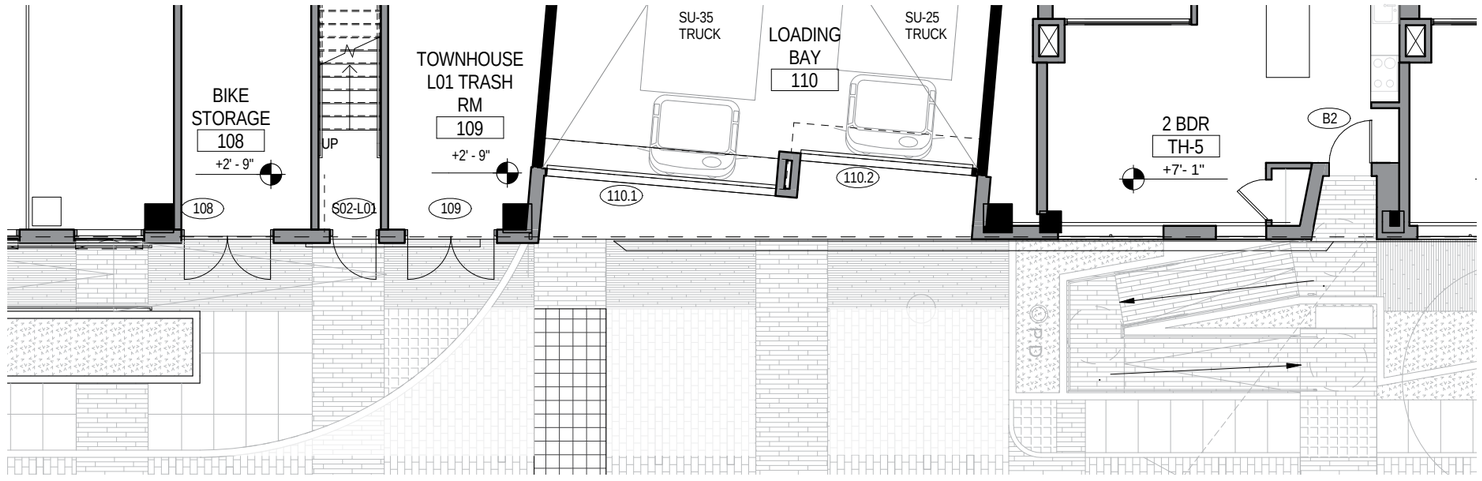
Street Features:
The small unit paving materials calm vehicular traffic and create an intimately scaled pedestrian-friendly lane. Plantings will include trees on both sides of the lane running from Main to the mid-block, and native and adapted understory plantings selected for drought tolerance, habitat value and durability. A low curb on the southeast side of the street provides pedestrian safety while giving a sense of a primarily pedestrian environment. Seating, stairs and ramps are integrated into the townhouse entry gardens.

Townhouse Stoops:
At the townhouse entries there is an upper walk that accesses each unit with a planting area and seating amenities providing a "front yard" for each unit and a generous tree planting zone. The public sidewalk connects to each entry individually by a stair. There are planters and seating that punctuate the ends of the townhouse block, helping frame and make a distinct threshold and sense of ownership at the townhouse entries. Stoops

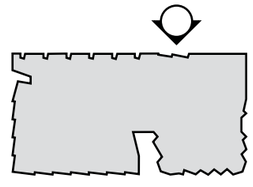
North Property Line:
Along the north property line a screen/fence separates and secures the TBB1 property, while providing a residentially-scaled and materially-articulated infrastructure for climbing plants. A mid-block crossing connects to a shared open-space situated along the property line. The shared open space is primarily a lower-intensity/passive recreation space with an imaginative environmental art piece or other playful sculpture at its center. Seating and a sloped lawn runs eastward up over the parking structure entry. A raised shrub planting at its edges and built-in seating create the boundary to a visually open yet framed space for families to play and relax.



Loading Bay and Bike Storage Entry Elevation - Clementina St.



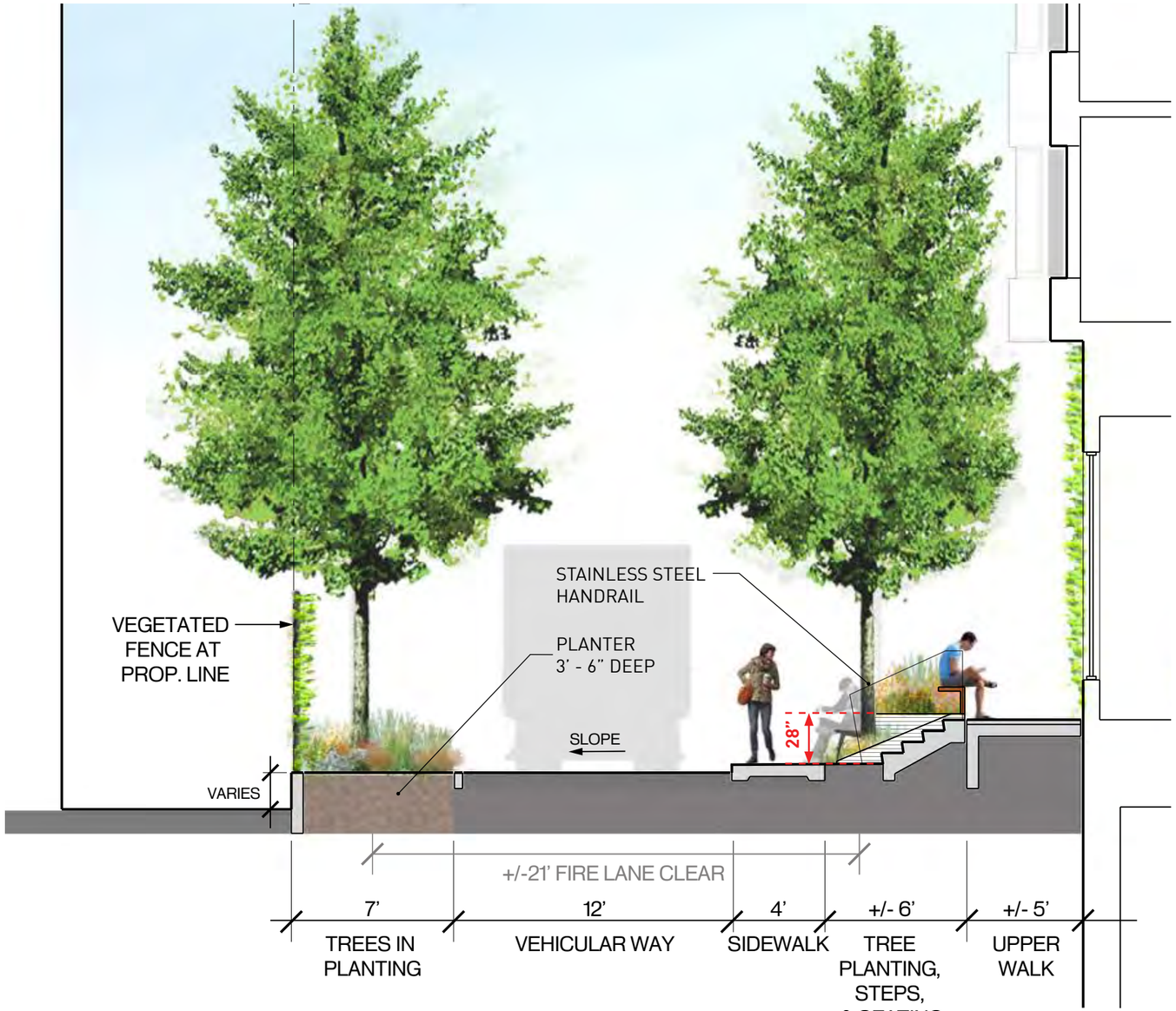
Loading Bay and Bike Storage Entry Plan - Clementina St.



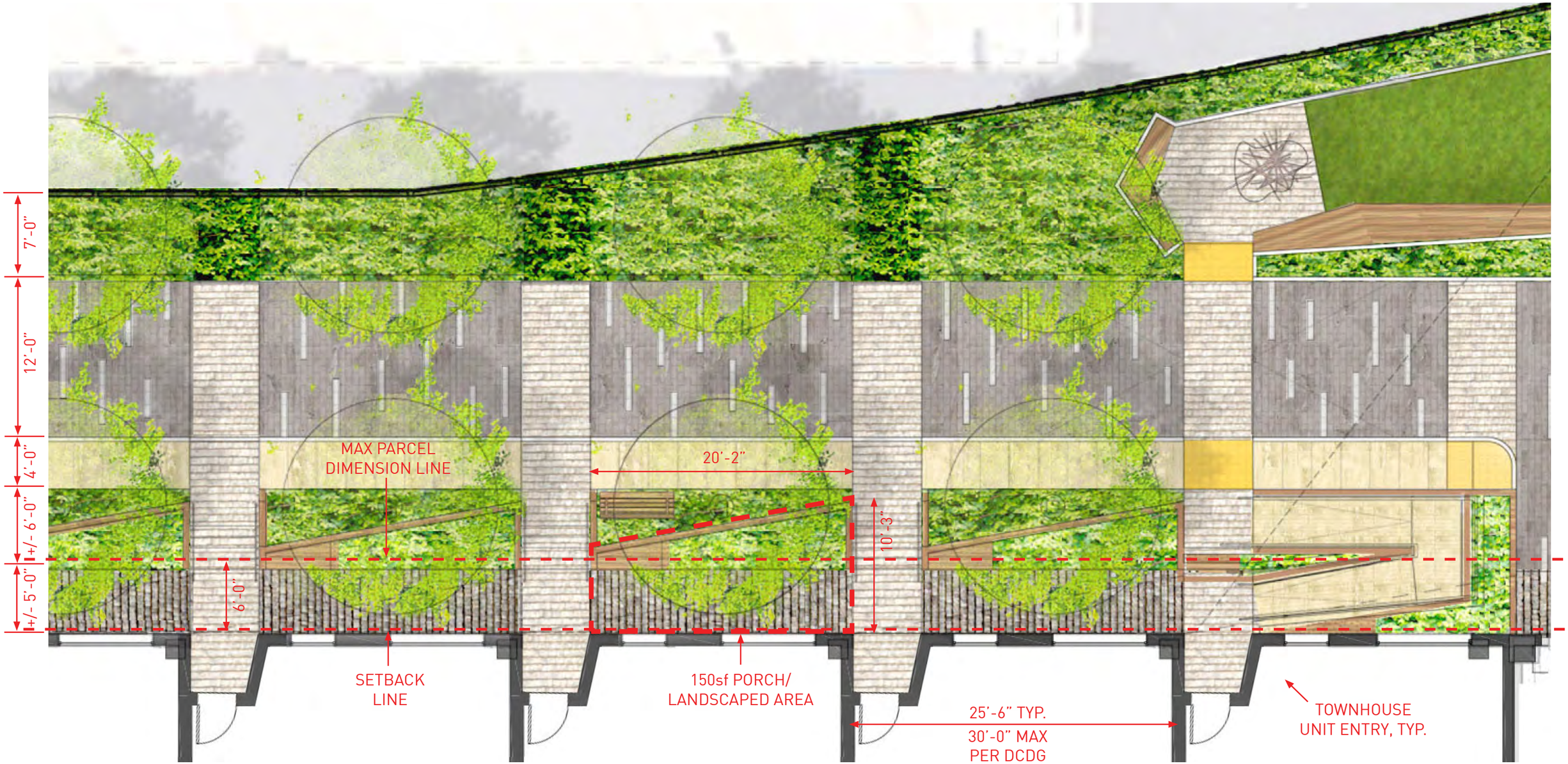
Clementina Street
Section/Plan

Advantages:
- Improved spacing for Trees – no conflict w/ facade
- Eliminates the need for extensive truncated domes
- Clear refuge for Pedestrians
- Space for Occasional Public Seating
- Ramp can be integrated into planting area
- Single Direction drainage
- Provides 5' wide upper path w/ stoop garden areas





NOTE: TOWNHOME STOOPS ARE 28" ABOVE SIDEWALK LEVEL. PER CBC SECTION 1013.2, STOOPS DO NOT REQUIRE GUARDS



Clementina Stoop and Townhouse Entry

0' 10' 20'

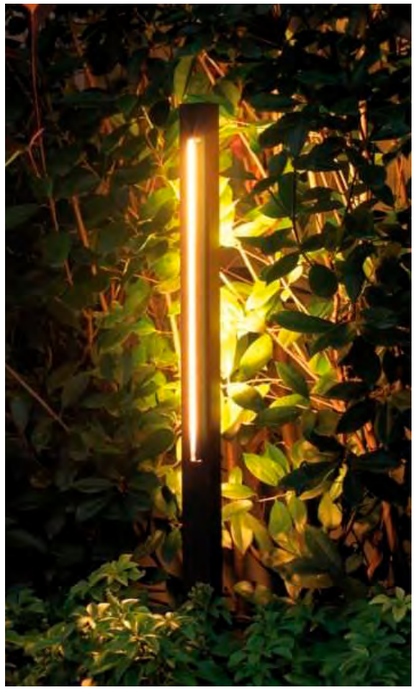
Clementina Street Lighting
Pritchard Peck Lighting

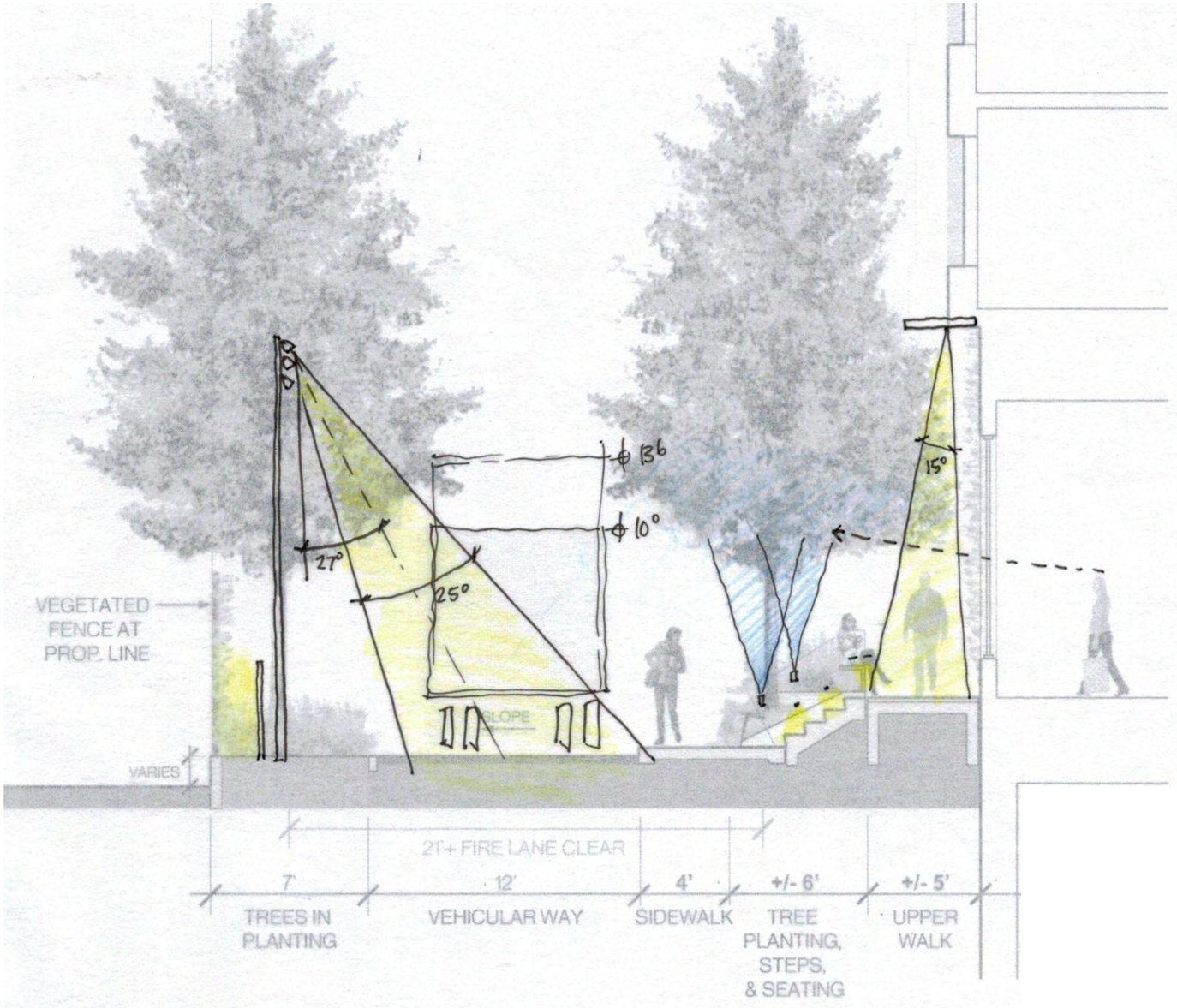
- Pole Light with multi-heads at North side of Clementina.
- Green wall bollard along northern fence.
- Wall recessed step light at stoop
- Ceiling recessed downlight at townhouse unit entries.
- In grade well light uplighting tress on south side of Clementina.

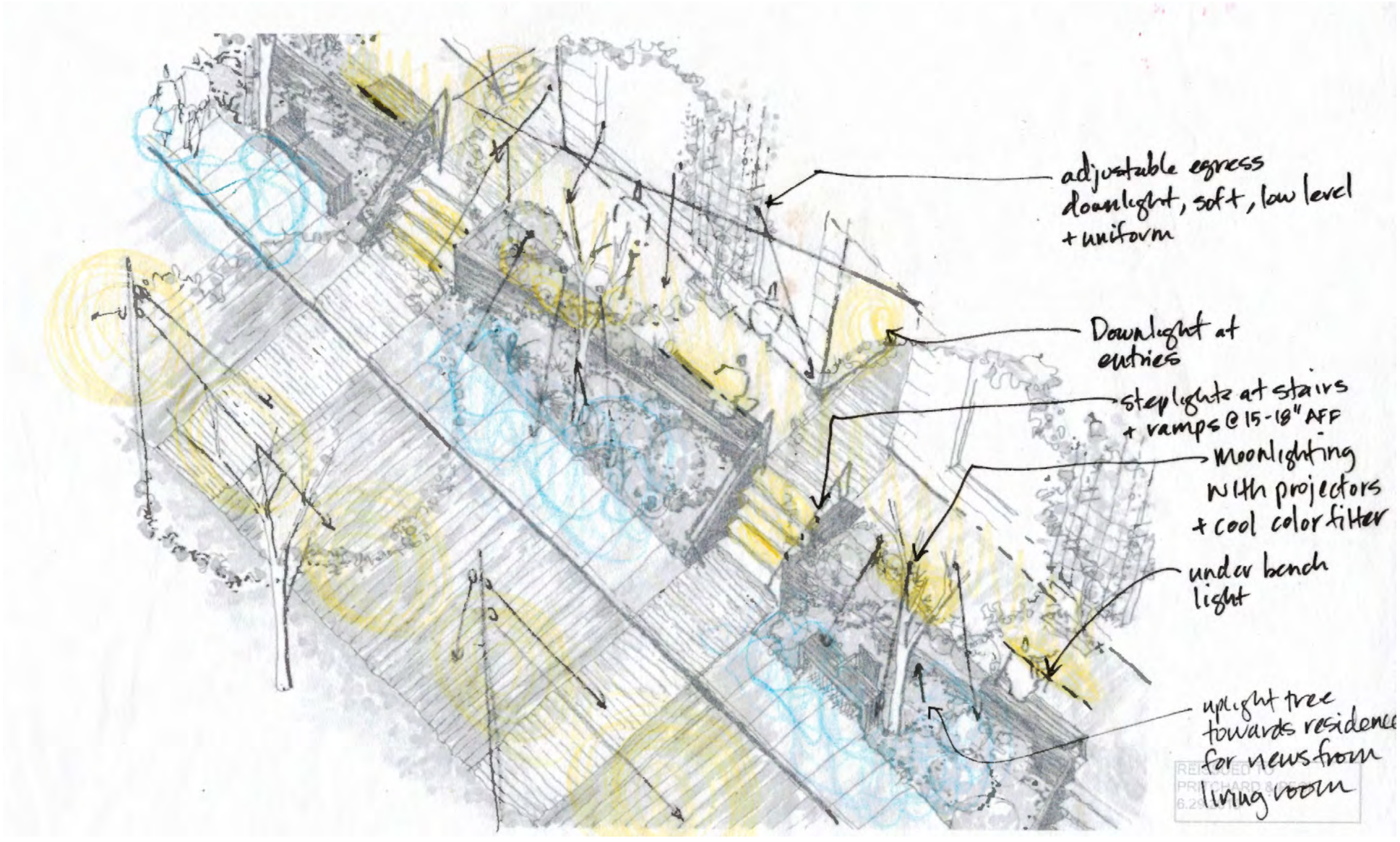
Pole Light with Multi-Heads



Green Wall Bollard







Clementina Stoop and Townhouse Entry

04.4 LANDSCAPE ON STRUCTURE

LEVEL 2 - PODIUM COURTYARD: THE NEST

The podium courtyard located at the foot of the 39-story tower is accessed by two stairs, one a broad stair leading from a small court to the southeast off of Folsom Street and the other by a narrower stair from the northwest off of Main Street. The Folsom street approach integrates planting and seating areas into the stair, as though the plantings from above are cascading down into the lower street level, or conversely climbing up into the courtyard. A low gate is situated at each courtyard entry at the upper level. The courtyard acts as the entry to the second level townhouse units and is a visual amenity as seen from the surrounding podium, townhouses and tower. The court is a light well, entry space and visual amenity is filled with a grove of light-barked and open foliaged birch trees, that carry light and movement through their canopies down into this deep space. The trees and their foliage reflect light and animate the court. Seasonal change can be experienced as the summer foliage changes in autumn and opens up to a tracery of branches in the winter months.

All plantings in this courtyard are raised in planters with a smooth and light colored finish. Materials here are soft in color, honed and refined, including the expression of the sky-lights that connect to the indoor amenity space below. The skylights link the spaces and are lit at night to give the impression of large lanterns emerging from the ground. Vertical vine plantings or green-walls are located at the north face of the court and along the east façade adjacent to the stair. Perimeter raised planters support shrubs, ferns and perennials providing privacy to the surrounding residential interiors.

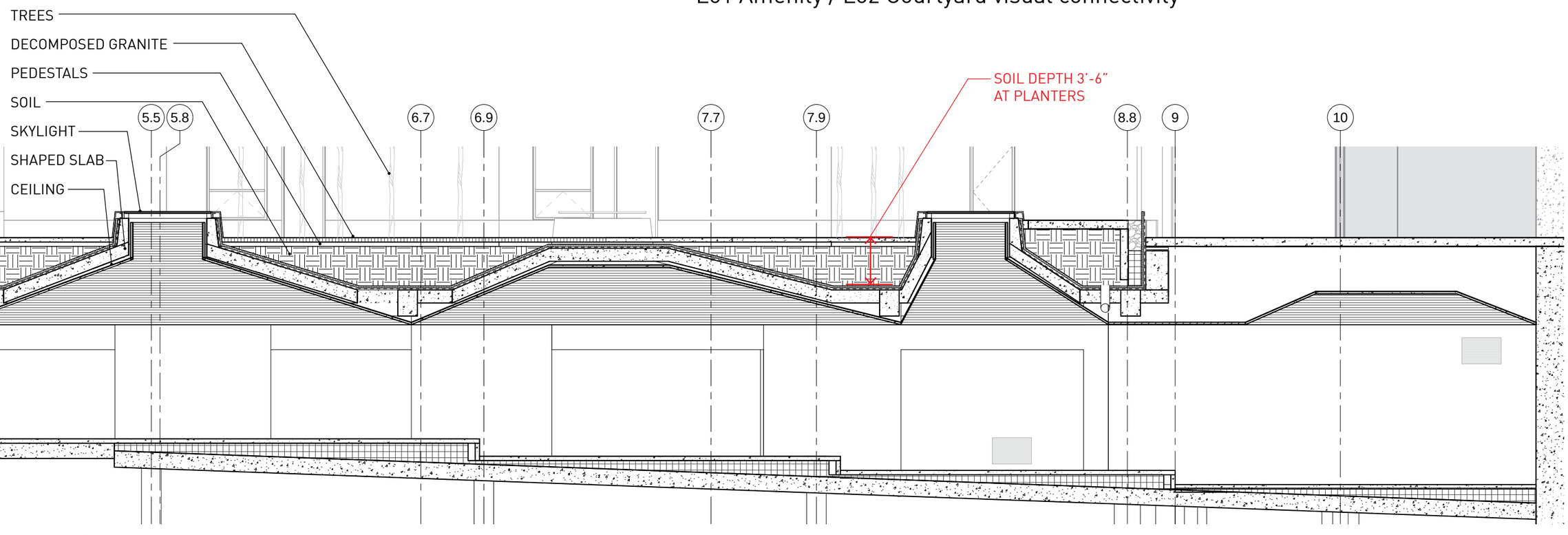




L01 amenity skylights connect to dappled light above



L01 Amenity / L02 Courtyard visual connectivity



L01 Amenity / L02 courtyard skylight sections
1/8" = 1'-0"

LEVEL 5 - AMENITY SPACE: THE WING

Level 5 is the primary shared open-space for TBB1 and is the most heavily programmed outdoor amenity. It is laid out as a linear progression of four connected "rooms" that are increasingly private and quiet in their programmatic use.

The first "room" is directly adjacent to the interior common lounge space which opens directly to the outdoor dining area. This outdoor room is generous and furnished at its perimeter with a large built-in bench and is furnished with long tables with benches for group dining, including a built-in table with a tree at its center.

The next outdoor room is a "game" room that overlooks the level 2 courtyard. It has moveable chairs and small tablets and features such as mini-golf, board game tables, and a large undulating recliner.

The next room in sequence is dedicated to yoga and exercise gatherings and film screening, and utilizes the wall of the roof access stair as a surface for projection or exercise stations.

The western-most room has a view to the Transbay Park and is defined by being separated from the rest of the rooms by the access stair volume, thereby being the most private. This room is for intimate gatherings and evening entertaining around a linear gas fireplace feature with a backdrop of the open west-oriented view to the Transbay Park.

The materials and finishes within this space are warmer, darker and more textured highlighting authenticity with materials such as wood and narrow-board form concrete.

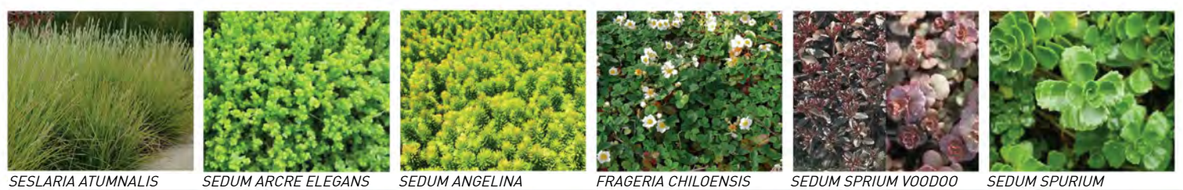


L05 ROOFDECK IS ACCESSIBLE TO ALL RESIDENTS

A LEVEL 5 TREE OPTIONS



B LEVEL 7/9 POTENTIAL BASE PLANTINGS



C LEVEL 7/9 POTENTIAL ALTERNATING PLANTINGS



PODIUM - GREEN ROOF

While not accessible to residents, roofs on Levels 07 and 09 of the Podium are designed using green roofing technologies that enhance the energy efficiency of the project as a whole. Native planting has been selected to minimize irrigation and mitigate the heat island effect on surrounding landscapes.

Like the Level 05 amenity roof at the townhouses, these roofs promote the "5th facade" concept. Together, the planted areas and facade access strip at the perimeter are designed to carry the podium bay geometries up and over the roof plane. This strategy will be legible from taller adjacent buildings and will improve views for Block 1's neighbors. Planted areas will also help to mask necessary mechanical equipment which, when possible, will be oriented to conform to the landscapes angular geometry. Mechanical units are also set back from the building edge and sit behind a 42" high solid parapet walls which will help to screen them from views from street level.



05 CODE COMPLIANCE

05.1 Code Compliance

The two towers will be considered separate buildings on the same lot as allowed on a case-by-case basis by the San Francisco fire department and will comply with allowable heights and areas per CBC table 504. A 3-HR horizontal building separation will be provided at the second floor slab and all provisions of CBC section 510.2 will be met.

The towers will consist of a 39 story high-rise structure and an 8 story mid-rise structure. The 39 story tower will be a high rise structure and will comply with the provisions of CBC section 403. The 8 story structure's highest occupied floor will be lower than 75'-0" above the lowest level of fire department vehicle access and will not be considered a high rise structure. The 8 story structure will not need to comply with CBC section 403 requirements with the exception of pressurization of the exit stairs.

The project shall comply with the City of San Francisco Building Code, the 2013 California Building Code, and all Federal Code requirements as applicable. Zoning requirements are per Trans Bay Redevelopment plan.

All dwelling units are subject to the Fair Housing Act, Department of Justice 2010 ADA Standards for Accessible Design, and California Building Code provisions.

Per City of San Francisco requirements 5% of City BMR units shall be provided with mobility features and 2% shall be provided with hearing impaired features per the Department of Justice 2010 ADA Standards. All remaining units, Market Rate and BMR, shall be fully adaptable per the 2013 California Building Code.

05.2 Applicable Codes

2013 edition of the San Francisco Building Code
2013 edition of the California Building Code (with San Francisco building code amendments)
2013 edition of the California Mechanical Code
2013 edition of the California Plumbing Code
2013 edition of the California Electrical Code
2013 edition of the Uniform Fire Code
2013 edition of the State Of CA Code, Title 19
2013 edition of the State Of CA Code, Title 24 - Building, Disabled Access And Energy
2013 State Building Code Amendments
2013 California Green Building Code (Calgreen)
2010 American With Disabilities Act Accessibility Guidelines
Federal Fair Housing Act - Part VI Accessibility Guidelines
Federal Fair Housing Act Design Manual

Elevators

California title 8, chapter 4, subchapter 6 elevator safety orders
ASME a17.1-2004 with all provisions to group 4 elevators
San Francisco Fire Department flashing helmet memo dated 10/7/2013

Accessibility

This project has been designed with usual and customary professional care to comply with the Americans With Disabilities Act, the fair housing act, the accessibility provisions of the San Francisco Building Code, and chapters 10 and 11a of the California Building Code, Title 24, Part 2, Federal Fair Housing Act, Fair Housing Act Design Manual, published by HUD in 1996 and updated in 1998 and uniform federal accessibility standards.

06 STRUCTURAL SYSTEM

MAGNUSSON KLEMENCIC ASSOCIATES

06.1 STRUCTURAL NARRATIVE

PROJECT DESCRIPTION

160 Folsom Street project is located in San Francisco, California, north of Folsom Street and between Spear Street and Main Street. The project consists of a residential tower and two adjoining low-rise podium structures above three basement levels which occupy the entire site footprint. The structural design for the tower is performed in accordance with the 2013 San Francisco Building Code, including the San Francisco Department of Building Inspection Administrative Bulletin 083, utilizing a non-prescriptive seismic design for the tower and a code-compliant design for the plaza structures.

The project site is depicted in Figure 1.

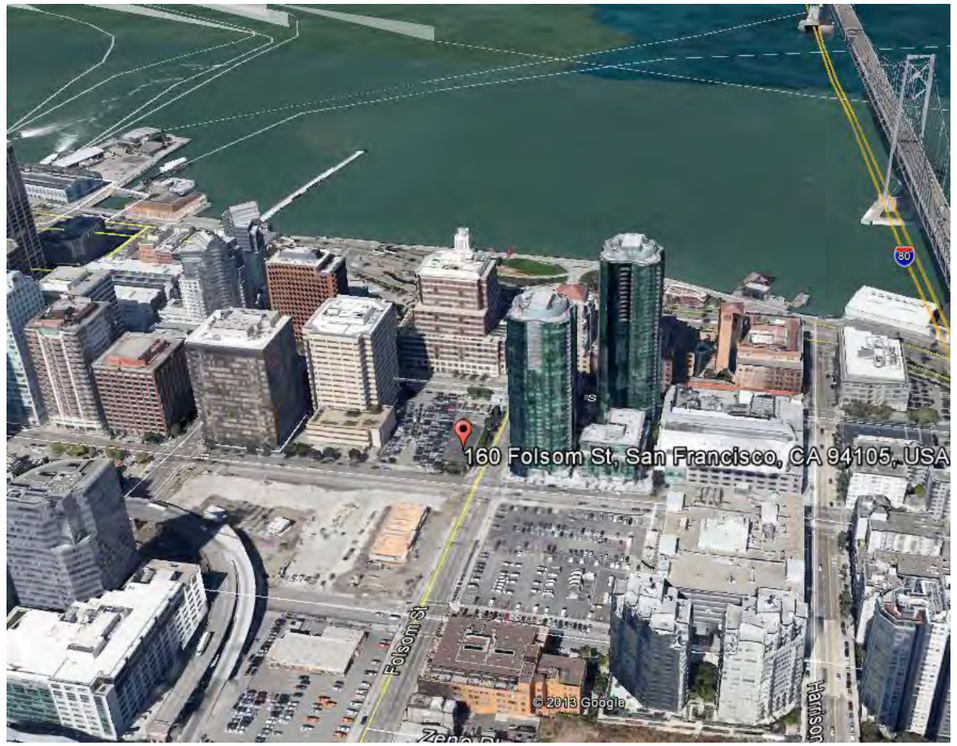


Figure #1: Proposed project site

The primary use of the project is residential housing with retail space at street level and below-grade parking. The high-rise tower will be approximately 400 feet tall to the roof line. There are two separate podium structures: the taller has a roof line elevation of 85-feet while the shorter podium structure has a roof line elevation of 50-feet.

The tower structure is designed using a non-prescriptive seismic design approach since selected code provisions will not be met. A three-step design/verification analysis in accordance with San Francisco's Administrative Bulletin 083 is performed to demonstrate equivalent seismic performance to that intended by the Building Code. The podium structures are designed in compliance with the Building Code without exception. Design parameters associated with the design of the Tower is included within this report.

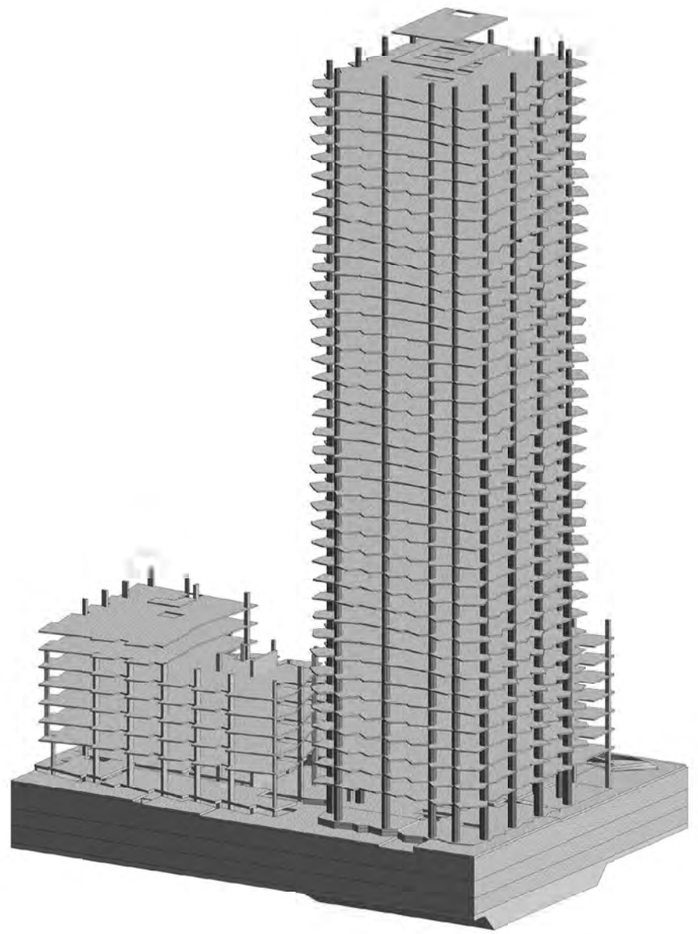


Figure #2: Structural Model

OCCUPANCY AND CONSTRUCTION TYPE

The occupancy classification is Mixed Use: Residential and Parking. The construction type is Type 1A Fire-Resistive Construction.

TOWER LATERAL FORCE-RESISTING SYSTEM

The lateral force-resisting system at the tower is a center core shear wall. Lateral forces will be resisted by coupled concrete structural shear walls placed around the central elevator and stair core of the tower. The wall coupling is provided by either diagonally reinforced coupling beams or steel-reinforced composite steel coupling beams. A representative building section is showing in Figure 3.

The tower lateral system design will utilize a non-prescriptive seismic design approach since selected code provisions will not be met, such as the building height limit of 240-feet for a shear wall only lateral system. The Project is proposed to be designed following Administrative Bulletin 083 for performance-based design (PBD) in addition to the San Francisco Building Code. A three-dimensional non-linear response history analysis will be utilized as part of this effort.

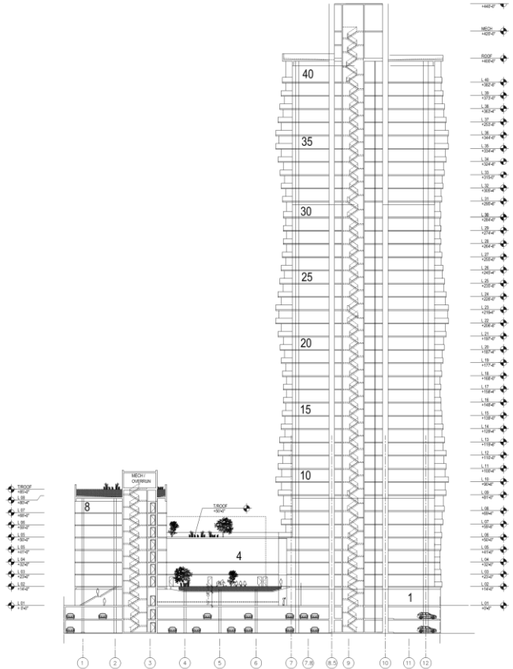


Figure #3: Building Section

FOUNDATION

Based on initial borings and draft idealized subsurface profiles provided by the Geotechnical consultant for the project, Rollo & Ridley, the project currently envisions portions of the mat foundation where adequate bearing will be achieved at the depth of exaction. However, there are portions to the Northern side of the site where deep foundations will likely be required.

Based on the draft recommendations of the subsurface profile, it is MKA understands that the subsurface profile can approximately be described as such:

- Elevation of adequate bearing layer below Clementina Street varies from EL -40 to EL -45-feet (SFCD)
- Elevation of adequate bearing layer below the Podium structures varies from EL -35 to EL -42-feet (SFCD)
- Elevation of adequate bearing layer below the Tower footprint varies from EL -35 to LE -45-feet (SFCD)

The preliminary recommendation from the Geotechnical consultant is that given the above bearing layer information, along with the proposed bottom of variable thickness mat foundation, a large portion of the site is assumed to be able to reach an adequate bearing layer such that deep foundations will not be required. Where an adequate bearing layer will not be reached, deep foundations (18" diameter auger-cast piles) will be utilized to support the building loads.

Under the SE corner of the tower mat foundation, it is assumed that rock will be reached at the depth of excavation. Given this, the Geotechnical consultant is recommending an over-excavation of rock in this corner and backfill with material more similar in stiffness to that of the adjacent Colma Formation bearing layer as to found the Tower mat foundation on a consistent subgrade modulus and control differential settlement concerns.

SUPERSTRUCTURE

Anticipated structural systems and sizes are listed in Table 1.

Table 1. Anticipated Structural Systems and Sizes

Element	Structural System and Sizes
Foundation	Concrete mat foundation of varied thicknesses
Shear Walls	Walls of varied thickness, 24 to 40 inches thick
Coupling Beams	Diagonally reinforced concrete or embedded composite steel coupling beams
Columns	Reinforced concrete columns ranging from approximately 24"×24" to 42"×42"
Basement Walls	Reinforced concrete basement walls around the perimeter of the below-grade parking levels, 12 to 18 inches thick
Below-Grade Slabs	10-inch-thick reinforced concrete flat slabs
Grade-Level Diaphragm Slab	15-inch-thick reinforced concrete flat slab
Podium-Level Slab	12-inch thick reinforced concrete flat slab
Residential Slabs	8-inch-thick post-tensioned concrete flat slabs
Amenity Deck Roof Slab	12-inch-thick reinforced concrete slab
Unoccupied Roof Slab	10-inch-thick reinforced concrete slab

BUILDING CODES

The project is designed in accordance with the following building and material codes:

BUILDING CODE

- San Francisco Building Code, 2013 Edition (SFBC)
- San Francisco Department of Building Inspection Administrative Bulletin 083 (AB-083), *Requirements and Guidelines for the Seismic Design of New Tall Buildings using Non-Prescriptive Seismic-Design Procedures*.

MATERIAL CODES

- Reinforced Concrete: *Building Code Requirements for Structural Concrete and Commentary,* American Concrete Institute, 2011 Edition (ACI 318-11).
- Structural Steel: *Specification for Structural Steel Buildings,* American Institute of Steel Construction, AISC 360-10
- Steel Coupling Beams: *Seismic Provisions for Structural Steel Buildings,* American Institute of Steel Construction, AISC 341-10.

OTHER REFERENCES

- *Guidelines for Performance-Based Seismic Design of Tall Buildings, Version 1.0*, Pacific Earthquake Engineering Research Center, Tall Building Initiative, Report No. 2010/05, November 2010 (PEER TBI Guidelines).
- *An Alternative Procedure for Seismic Analysis and Design of Tall Buildings Located in the Los Angeles Region, 2011 Edition*, Los Angeles Tall Buildings Structural Design Council (LATBSDC).
- *Minimum Design Loads for Buildings and Other Structures*, American Society of Civil of Engineers, (ASCE 7); 2010 Edition.
- *Seismic Rehabilitation of Existing Buildings,* American Society of Civil of Engineers, 2006 Edition (ASCE 41-06) including supplement 1.
- *Modeling and Acceptance Criteria for Seismic Design and Analysis of Tall Buildings,* PEER/ATC 72-1, October 2010.
- R. Klemencic, J.A. Fry, G. Hurtado, J.P. Moehle (2006), *Performance of Post-Tensioned Slab-Core Wall Connections*, PTI Journal, Vol. 4, No. 2, December 2006. Farmington Hills, USA. pp.7-23.
- D. Naish, J.A. Fry, R. Klemencic, J.W. Wallace (2009), *Experimental Evaluation and Analytical Modeling of ACI 318-05/08 Reinforced Concrete Coupling Beams Subjected to Reversed Cyclic Loading*, University of California, Los Angeles, Department of Civil and Environmental Engineering, UCLA-SGEL Report 2009/06.
- Motter, C.J, Wallace, J.W., Klemencic, R; Hooper, J.D., Fields, D.C (2012), *Large-Scale Testing and Analysis of Concrete Encased Steel Coupling Beams under High Ductility Demands*, 15th World Conference on Earthquake Engineering.

Attachment 2

Owner Participation/Disposition and Development Agreement

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Attention: Real Estate and Development Services

Assessor's Block 3740, Lots 027, 029, 030, 031, and 032
Commonly known as Transbay Block 1

Space Above This Line Reserved for Recorder's Use

OWNER PARTICIPATION/
DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

The Successor Agency to the Redevelopment Agency
of the City and County of San Francisco

and

Block One Property Holder, L.P., a Delaware limited partnership

FOR THE SALE AND DEVELOPMENT OF TRANSBAY BLOCK 1
(ASSESSOR'S BLOCK 3740, LOTS 027, 029, 030, 031, and 032)

Dated as of _____, 2016

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OWNER PARTICIPATION/
DISPOSITION AND DEVELOPMENT AGREEMENT

THIS OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT (the "**Agreement**" or "**OP/DDA**") is entered into as of _____, 2016, 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, commonly known as the Office of Community Investment and Infrastructure ("**Successor Agency**" or "**OCII**"), and Block 1 Property Holder L.P., a Delaware limited partnership ("**Developer**") (collectively, the "**Parties**"). The Parties agree as follows:

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. The Board of Supervisors of the City and County of San Francisco ("**Board of Supervisors**") 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, filed in the Office of the Recorder of the City and County of San Francisco ("**Official Records**") as Document No. 2006-I224836, as amended by Ordinance No. 84-15 (June 18, 2015), and as it may be amended from time to time ("**Redevelopment Plan**").

C. The Redevelopment Plan establishes the land use controls that Successor Agency applies in the Project Area. The Redevelopment Plan divides the Project Area into two subareas: Zone One in which the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (2005) ("**Development Controls**") define land uses, and Zone Two in which the San Francisco Planning Code applies. Successor Agency solely administers and enforces land use entitlements for property and projects in Zone One and has delegated its authority over projects that do not require Successor Agency action in Zone Two to the San Francisco Planning Department pursuant to that certain Delegation Agreement between the Former Agency and the Planning Department for the Transbay Redevelopment Project Area (May 3, 2005).

D. On August 4, 2006, and in furtherance of the Redevelopment Plan, the Former Agency caused a Declaration of Restrictions affecting all of the Project Area to be recorded in the Official Records, as Document No. 2006-I224839 (the "**Project Area Declaration of Restrictions**").

E. In 2003, the Transbay Joint Powers Authority ("**TJPA**"), the City and County of San Francisco ("**City**"), and the State of California ("**State**"), entered into a Cooperative Agreement, which sets 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 ("**AB 812**"), which requires that thirty-five percent (35%) of new housing developed in the Project Area shall be affordable to low- and moderate-income households. In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement ("**Implementation Agreement**") which requires Successor Agency to prepare and sell certain formerly State-owned parcels and to construct and fund new infrastructure improvements (such as parks and streetscapes) and to meet affordable housing obligations. (The AB 812 housing obligation, as incorporated into the Implementation Agreement, is referred to as the "**Transbay Affordable**

Housing Obligation.")

F. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("**AB 26**"), codified in relevant part in California's Health and Safety Code Sections 34161 et seq. and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("**AB 1484**"). (Together, AB 26 and AB 1484, as amended from time to time, are referred to as "**Redevelopment Dissolution Law**.")

G. Pursuant to Redevelopment Dissolution Law, all of the Former Agency's assets (other than specified housing assets) and obligations were transferred to Successor Agency. Some of the Former Agency's housing assets, related to projects that were either completed or had no continuing enforceable obligation, were transferred to the City, acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**"), which is the City's designated housing successor under Health and Safety Code Section 34176 and Board of Supervisors Resolution No. 11-12 (Jan. 26, 2012), as modified by Ordinance No. 215-12 (Oct. 4, 2012). The Redevelopment Plan, Development Controls (defined below), and other relevant Project Area documents remain in effect and Successor Agency retains all affordable housing obligations in the Project Area.

H. Under Redevelopment Dissolution Law, with approval from a successor agency's oversight board and the State's Department of Finance ("**DOF**"), a successor agency may continue to implement "enforceable obligations"—existing contracts, bonds, leases, etc.—which were in place prior to the suspension of redevelopment agencies' activities on June 28, 2011, the date that AB 26 was approved. Redevelopment Dissolution Law defines "enforceable obligations" to include bonds, loans, judgments or settlements, and any "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy," (Cal. Health & Safety Code § 34171(d)(1)(E)) as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The Implementation Agreement and the Transbay Affordable Housing Obligation meet the definition of "enforceable obligations" under Redevelopment Dissolution Law.

I. AB 1484 authorizes successor agencies to enter into new agreements if they are "in compliance with an enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5(a). Under this limited authority, a successor agency may enter into contracts, such as this OP/DDA, if a pre-existing enforceable obligation requires that action. See Cal. Health & Safety Code § 34167(f) (providing that Redevelopment Dissolution Law does not interfere with an agency's authority under enforceable obligations to "enforce existing covenants and obligations, or . . . perform its obligation."). This Agreement, providing for the transfer of certain OCII-property to a third party and the development of market-rate and affordable housing, is part of Successor Agency's compliance with the pre-existing enforceable obligations under the Implementation Agreement and the Transbay Affordable Housing Obligation.

J. On April 15, 2013, DOF issued, under Section 34177.5 (i) of the California Health and Safety Code, a Final and Conclusive Determination for the Implementation Agreement and the Transbay Affordable Housing Obligation. The effect of this determination is to establish that these obligations are binding and enforceable contracts of Successor Agency under Redevelopment Dissolution Law. On September 9, 2013, DOF confirmed its Final and Conclusive Determination and stated that "any sale, transfer, or conveyance of property related to [the Transbay Redevelopment] project, and as outlined in the project documents, is authorized." Email, J. Howard, DOF Assistant Program Budget Manager, to T. Bohee, OCII Executive Director. A copy of DOF's Transbay Final and Conclusive Determination,

including the subsequent confirmation email, is attached as Attachment 1.

K. The development site commonly known as Transbay Block 1 is a 53,622-square-foot parcel on Folsom Street between Main and Spear Streets, two blocks south and two blocks east of the future Transbay Transit Center. The site consists of Assessor's Block 3740, Lots 027, 029, 030, 031, and 032. Lot 027 is a 33,782 square-foot-parcel owned by OCII ("**Public Parcel**") that was acquired by the Former Agency with tax increment monies in 2003 for the purpose of developing affordable housing as required by the Transbay Affordable Housing Obligation. Lots 029, 030, 031, and 032 are owned by Developer and together total 19,840 square feet (collectively, the "**Private Parcel**"). The Public Parcel and the Private Parcel are together referred to as the "**Site**." The Site is shown on the Site Plan (Attachment 2) and further described in the Site Legal Description (Attachment 3).

L. The owners of private property in the Project Area may participate in the redevelopment of their property under the Rules Governing Participation by Property Owners, adopted by Redevelopment Agency Resolution No. 17-2005 (Jan. 25, 2005) (the "**Owner Participation Rules**"). The Owner Participation Rules require that the owners of private property agree to conform to the Redevelopment Plan and provide that certain individual parcels should be aggregated to create efficient and marketable parcels to accomplish the purposes of, and conform to, the Redevelopment Plan.

M. In conformance with the Redevelopment Plan and the Owner Participation Rules, the Development Controls require that the Public Parcel be aggregated with the Private Parcel for suitable development on Block 1. To that end, Developer approached OCII about a possible purchase of the Public Parcel. The Community Redevelopment Law authorizes the sale of public property without public bidding. Cal Health & Safety Code § 33431.

N. On November 18, 2014, the Commission on Community Investment and Infrastructure (the "**Commission**") unanimously approved by Resolution No. 45-2014 an Exclusive Negotiation Agreement (the "**ENA**") between Developer and OCII so the Parties could negotiate the terms of the sale of the Public Parcel and development of the Site.

O. The development program for the Site, as described below, required an amendment to the Redevelopment Plan to increase the maximum height limit of the residential tower on Block 1 from 300 feet to 400 feet ("**Plan Amendment**"), as well as an amendment to the Development Controls to reflect the Plan Amendment. In accordance with those provisions of the Community Redevelopment Law, as amended by Redevelopment Dissolution Law, that authorize an amendment to a redevelopment plan, Cal. Health & Safety Code §§ 33450 et seq., the Commission approved the Plan Amendment, by Resolution No. 2-2016 (January 19, 2016), and amendments to the Development Controls by Resolution No. XX-2016 (_____, 2016). On February 25, 2016, the City's Planning Commission determined by Motion No. 19573 that the Plan Amendment conforms to the San Francisco General Plan. On April 26, 2016, the Board of Supervisors adopted Ordinance No. 062-16 approving the Plan Amendment. The Plan Amendment becomes effective 90 days after adoption of the ordinance approving the Plan Amendment. Cal. Health & Safety Code § 33378. All references herein to the Redevelopment Plan shall mean the Redevelopment Plan as amended.

P. The development program for the Site conforms to the Redevelopment Plan, the Implementation Plan, the Transbay Affordable Housing Obligation, the Development Controls, as amended, and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan ("**Streetscape Plan**"), is shown on Attachment 4, and includes the following: (a) a market-rate residential component consisting of approximately 235 for-sale residential units in an up to 400-foot residential tower and adjacent townhomes (the "**Market-Rate Project**"); (b) an inclusionary affordable housing component consisting of no fewer than 80 for-sale units in the tower and in adjacent townhomes, 50 of which will be

affordable to households earning no more than 100 percent of area median income and 30 of which will be affordable to households earning no more than 120 percent of area median income, as shown on Attachment 17 ("**Developer Inclusionary Project**"); (c) an OCII-subsidized affordable housing component consisting of no fewer than 76 for-sale units affordable to households earning no more than an average of 90 percent of area median income in two connected podium buildings ("**OCII Affordable Project**") (together, units in the Developer Inclusionary Project and in the OCII Affordable Project are referred to as the "**Affordable Housing Units**"); (d) streetscape improvements including the extension of Clementina Street on the northern edge of the Site, a 25-foot wide sidewalk along Folsom Street, and sidewalks along Main and Spear Streets; (e) approximately 10,210 square feet of ground-floor retail space along Main, Folsom, and Spear Streets; (f) approximately 23,810 square feet of shared and private open space (as defined in the Development Controls); and (g) shared underground parking with approximately 340 stalls. Items (a) through (g) are collectively referred to as the "**Improvements**" or the "**Project**" and are further described in the Scope of Development (Attachment 6).

Q. The Agreement contemplates a sole source sale of the Public Parcel to Developer for the following reasons: (1) the Project, as an integrated development, will have a greater value than if the individual components were developed separately; (2) the Project satisfies the requirement of the Development Controls that the Private Parcel and the OCII Parcel be assembled; (3) development of the Public Parcel as a stand-alone project would pose significant design and financial difficulties; and (4) the Project allows Developer, as the owner of the adjacent Private Parcels, to redevelop its property into a substantially better project.

R. As a sale without a public bid, Successor Agency will follow the procedural requirements for notice and public hearing in Section 33431 of the California Health and Safety Code. Furthermore, the proposed sale is consistent with the disposition plan for the Public Parcel that was included in Successor Agency's Property Management Plan ("**PMP**"), which was prepared in accordance with the requirements of Redevelopment Dissolution Law. The PMP was approved by Oversight Board Resolution Nos. 12-2013 (adopted November 25, 2013) and 14-2015 (adopted November 23, 2015), and finally approved by DOF on December 7, 2015.

S. The parties wish to enter into this Agreement to complete the sale of the Public Parcel to Developer and authorize construction of the Project on the Site.

ARTICLE 1 - CONTRACT TERMS

1.01 Successor Agency

Successor Agency is 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, and includes any successor public agency designated by or pursuant to law. Whenever approval of Successor Agency is required hereunder, Successor Agency may act by and through its Executive Director or his/her designee, unless otherwise specified in this Agreement.

1.02 Developer

Developer is Block One Property Owner, L.P., a Delaware limited partnership, of which a special purpose affiliate of Tishman Speyer is the managing general partner.

1.03 Intentionally Omitted

1.04 Site

The Site is comprised of the Public Parcel and the Private Parcel.

(a) The Public Parcel is the real property located in the Project Area north of Folsom Street between Main and Spear Streets as shown on the Site Plan (Attachment 2) and described in the Site Legal Description (Attachment 3) and contains approximately 33,782 square feet. It is comprised of Lot 027 of Assessor's Block 3740.

(b) The Private Parcel is the real property located in the Project Area on Folsom Street between Main and Spear Streets as shown on the Site Plan (Attachment 2) and described in the Site Legal Description (Attachment 3) and contains approximately 19,840 square feet. It is comprised of Lots 029, 030, 031, and 032 of Assessor's Block 3740.

1.05 Purchase Price

(a) The purchase price for the Public Parcel shall be Nineteen Million One Hundred Eighty Thousand Dollars ($19,180,000) (the "**Purchase Price**"), which Developer shall pay by funding the development of 76 units of affordable housing in the OCII Affordable Project, in compliance with this Agreement. Effectively, this translates to an OCII subsidy of $252,368 per unit in the OCII Affordable Project. Developer's per unit cost to develop the OCII Affordable Project exceeds this subsidy.

(b) Developer also shall pay, either directly or through reimbursement, for any costs associated with this Project, including: (i) Successor Agency costs incurred in excess of the amount contributed by Developer under Section 3 of the ENA; provided, however, Successor Agency shall provide a budget to Developer and shall notify Developer upon incurring sixty percent (60%) of the costs set forth in such budget; or (ii) third party costs, including, but not limited to, title report costs, title insurance premiums and endorsement charges, escrow fees, surveys, environmental review, parcel mapping, lot line adjustments, quiet title actions, permits, permit review, plan review, and inspections ("**Successor Agency Costs**").

1.06 Good Faith Deposit

Within ten (10) days after the Effective Date of this Agreement, as defined in Section 12.16, Developer shall deposit into Escrow a good faith deposit in the amount of TWO MILLION AND 00/100 DOLLARS ($2,000,000) (the "**Good Faith Deposit**") in cash or immediately available funds. If the Parties close on the purchase-sale of the Public Parcel and Developer achieves Commencement of Substantial Construction, as defined in Section 4.08, Successor Agency shall refund the Good Faith Deposit to Developer, less any amounts due under Section 1.05(b) for Successor Agency Costs. None of the deposit paid under the ENA or any other amounts paid by Developer during the term of the ENA for the costs of OCII to retain legal counsel shall be credited against the Good Faith Deposit or otherwise refunded.

1.07 Intentionally Omitted

1.08 Redevelopment Plan and Project Area Declaration of Restrictions

The Redevelopment Plan and the Project Area Declaration of Restrictions are the Redevelopment Plan and Project Area Declaration of Restrictions defined in the Recitals to this Agreement, as the same may be amended and extended from time to time. Development on the Site is subject to all the terms and conditions of the Redevelopment Plan and the Project Area Declaration of Restrictions. The Site is located within Zone One as described in the Redevelopment Plan and the Development Controls, both of which determine the land use designation and controls for the Site.

1.09 Term of this Agreement/Schedule of Performance

(a) The term of this Agreement will begin on the Effective Date and continue until the earlier of termination in accordance with its terms or Successor Agency's issuance and recordation of a Final Certificate of Completion, as provided in Section 4.13 (the "**Term**"), subject to the surviving provisions set forth in Section 5.10.

(b) Developer will perform its obligations under this Agreement in accordance with the Schedule of Performance (Attachment 5), subject to the provisions of this Agreement.

1.10 Definitions/Interpretation of Agreement

(a) Terms are defined in Article 13 or have the meanings given them when first defined.

(b) Whenever an 'Attachment' is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein. Whenever a section, article or paragraph is referenced, it is a reference to this Agreement unless otherwise specifically referenced.

ARTICLE 2 - CONVEYANCE TERMS

2.01 As-Is Condition

The Public Parcel shall be conveyed by Successor Agency to Developer, and Developer shall accept the Public Parcel at close of Escrow, in an "as-is" condition, free of any leases or occupants, subject only to any representations, warranties and covenants of Successor Agency contained in the ENA or this Agreement. At the close of Escrow, Developer shall release Successor Agency from and against any and all environmental, construction, and other ongoing liabilities relating to the Public Parcel which originated or accrued prior to the close of Escrow.

2.02 Purchase and Development

Subject to all of the terms, covenants and conditions of this Agreement, and Community Redevelopment Law as amended by Redevelopment Dissolution Law, Successor Agency agrees to sell and convey the Public Parcel to Developer for the Purchase Price, and Developer agrees to purchase the Public Parcel from Successor Agency and pay the Purchase Price to Successor Agency in accordance with the provisions of Section 1.05(a) above. In accordance with this Agreement, from and after the close of Escrow, Developer shall diligently pursue and prosecute the development, construction, maintenance and operation of the Improvements (as defined in Recital P above and further described in the Scope of Development, Attachment 6) on the Site, subject to applicable laws.

2.03 Escrow

(a) Open, Close of Escrow. On or before the date specified therefore in the Schedule of Performance, Attachment 5, Developer shall establish an escrow with any reputable title company doing business in the City and County of San Francisco selected by Developer and approved by Successor Agency ("**Title Company**") and shall notify Successor Agency in writing of such escrow ("**Escrow**"). At least fifteen (15) business days prior to the date specified for the Closing Date (as defined in Section 2.03(b) below), Successor Agency and Developer each shall provide escrow instructions to the Title Company as shall be necessary and consistent with this Agreement governing close of Escrow; at the same time, providing copies to each other. Except to the extent this Agreement provides otherwise, at least one (1) business day prior to the Closing Date, the Parties shall each deposit into Escrow all documents and instruments that such party is obligated to deposit into Escrow in accordance with this Agreement.

(b) Closing Date. The date on which Escrow closes ("**Closing Date**") shall be on or before the date specified in the Schedule of Performance, Attachment 5. The Closing Date shall not otherwise be extended except (i) for Force Majeure (as defined in Section 8.08), (ii) for delays caused by the inability of Successor Agency to satisfy each of the Developer Conditions (as defined in Section 2.09(a)) or to deliver title as described in Section 2.04, notwithstanding the exercise of its commercially reasonable efforts to do so, or (iii) as otherwise provided herein. In the event the Closing Date is extended as provided herein, then all applicable dates set forth in the Schedule of Performance shall automatically be extended by the same number of days.

(c) Title, Escrow and Closing Costs. Consistent with the provisions of Section 1.05(b), Developer shall pay to the Title Company or the appropriate payee thereof all title report costs; title insurance premiums and endorsement charges as requested by Developer; recording fees; and any escrow fees in connection with the conveyance of the Public Parcel by Successor Agency to Developer.

2.04 Title

(a) The escrow instructions shall provide that, upon the close of Escrow, the Title Company shall provide and deliver to Developer an owner's title insurance policy ("**Title Policy**") (which at Developer's option may be an ALTA owner's policy) issued by the Title Company in an amount reasonably designated by Developer, at the sole cost and expense of Developer, insuring that fee simple title to the Public Parcel is vested in Developer, without any liens, encumbrances, or other matters affecting title except for the title conditions set forth in Attachment 7 ("**Approved Title Conditions**").

(b) Developer shall bear all cost and responsibility for any required compliance with applicable laws related to the acquisition of the Public Parcel and development of the Site, including, but not limited to, the Subdivision Map Act and the Destroyed Land Records Relief Act.

(c) If Developer elects to secure an ALTA owner's policy, Successor Agency shall cooperate with Developer to secure such policy by providing surveys and engineering studies in its possession or control, if any, at no cost to Successor Agency and without warranty of any kind, which relate to or affect the condition of title. The responsibility of Successor Agency assumed by this paragraph is limited to providing such surveys and engineering studies, if any. Developer shall be responsible for securing any other surveys and engineering studies at its sole cost and expense. Successor Agency shall also execute an Owner's Affidavit in the form set forth on Attachment 21, as required by the Title Company.

(d) At the close of Escrow, Successor Agency shall convey to Developer fee simple title to the Public Parcel by Grant Deed, in substantially the form attached hereto as Attachment 8, free and clear of any liens, encumbrances and other matters affecting title except for the Approved Title Conditions.

Developer shall provide Successor Agency with an executed and acknowledged Developer's Quitclaim Deed (as defined in Section 8.03(a)). Successor Agency shall work in good faith with Developer to obtain whatever additional assurances are necessary from any City department or agency, including the Department of Public Works and the City Surveyor, so that Successor Agency conveys marketable and insurable title to the Public Parcel.

(e) Concurrently with the recordation of the Grant Deed, the parties shall cause the recordation of a declaration of site restrictions in substantially the form of Attachment 12 (the "**Declaration of Site Restrictions**"), which shall include, among other things, the affordability and eligibility restrictions described in Section 5.05 below and such Declaration of Site Restrictions shall (1) be in a first lien position and (2) not be subordinated to any lien or other encumbrance during the term of such restrictions.

2.05 Payment of Purchase Price

Developer's compliance with the covenant to develop 76 units of affordable housing in the OCII Affordable Project, in compliance with this Agreement, shall constitute payment of the Purchase Price.

2.06 Taxes and Assessments

Ad valorem taxes and assessments levied, assessed or imposed from and after close of Escrow shall be the responsibility of Developer.

2.07 Access and Entry by Developers to the Public Parcel/Permit to Enter

Upon the Effective Date, the Parties shall enter into a Permit to Enter substantially in the form of Attachment 9 hereto to provide reasonable access to the Public Parcel for the purpose of obtaining data and making surveys and tests, including site tests and soil borings, necessary to carry out the purposes of this Agreement. The term of the Permit to Enter may be extended by the Executive Director of Successor Agency for a period of time which reasonably will permit Developer to complete the activities for which access and entry is authorized.

2.08 Lease of the Public Parcel

The Public Parcel is encumbered by a month-to-month lease with Mehta Parking Co., dba Place 2 Park Corporation (the "**Tenant**"), for the operation of a parking lot. At least one hundred twenty (120) days prior to the close of Escrow, Successor Agency shall give notice terminating the lease of the Public Parcel (the "**Lease**"). The termination date, upon which the Tenant must vacate, will be thirty (30) days prior to the close of Escrow. If, after giving the termination notice, the close of Escrow is delayed because of Developer's acts or omissions, then on the earlier of (a) close of Escrow or (b) ten (10) days after delivery of an invoice by Successor Agency, Developer shall pay to Successor Agency Nine Hundred and Twenty One Dollars ($921.00) per day for each day of delay in order to compensate Successor Agency for lost rental income. Notwithstanding the foregoing, Developer shall have the right to make a separate arrangement with the Tenant to provide for early termination of the Lease at Developer's expense with no cost or obligation to Successor Agency. The form of such final separate arrangement shall be subject to Successor Agency's reasonable approval.

2.09 Conditions Precedent to Closing

(a) Conditions to Developer's Obligation to Close. The following are conditions to Developer's obligations to close Escrow (the "**Developer Conditions**"), to the extent not expressly waived by Developer:

(i) There shall not be an Event of Default by Successor Agency that would be reasonably likely to have a material adverse effect on the value of or financing for the purchase of the Public Parcel, on the construction of the Improvements, or on the use of the Site;

(ii) The representations and warranties of Successor Agency set forth in Section 2.12 herein shall be true and correct in all respects, to the best of Successor Agency's knowledge, and Successor Agency has not provided any exceptions to these representations and warranties that would materially impair Developer's ability to comply with its obligations under this Agreement;

(iii) The Title Company is unconditionally prepared to issue the Title Policy to Developer subject only to the Approved Title Conditions;

(iv) Subject to the provisions of this Agreement, Successor Agency shall have timely performed all obligations set forth herein that are required to be performed prior to the Closing Date;

(v) This Agreement shall not have been previously terminated pursuant to any other provision hereof;

(vi) Successor Agency shall have delivered, or caused to be delivered, to Developer and the Title Company all instructions and documents to be delivered by Successor Agency at close of Escrow pursuant to the terms and provisions hereof;

(vii) A Site Permit (as defined in Attachment 10) shall have been issued by the City's Department of Building Inspection in accordance with the timeframes specified in the Schedule of Performance, Attachment 5, so long as Developer has satisfied the Permit Submission Condition as set forth in Section 4.11(a);

(viii) The Board of Supervisors shall have held a public hearing and adopted an ordinance approving the Plan Amendment and, thereafter, the ninety day referendum period shall have expired with no referendum having become effective;

(ix) The Board of Supervisors shall have held a public hearing and approved, by resolution, the sale of the Public Parcel under California Health & Safety Code Section 33433;

(x) Successor Agency shall have executed, acknowledged and deposited with the Title Company the Grant Deed for the Public Parcel in substantially the form of Attachment 8;

(xi) Successor Agency shall have instructed the Title Company to consummate the Escrow as provided in Section 2.03; and

(xii) Developer shall have obtained financing on Commercially Reasonable Terms (as defined in Section 8.08(a)(i) below).

In the event the Closing is delayed for any period beyond the Closing Date due to any one or more of the Developer Conditions not having been satisfied, where such failure to satisfy any

one or more the Developer Conditions is not the result of a material default by the party responsible for the satisfaction of such Developer Condition, then the Closing Date shall be extended as provided herein and all applicable dates set forth in the Schedule of Performance shall automatically be extended by the same number of days in such period.

(b) Conditions to Successor Agency's Obligation to Close. The following are conditions to Successor Agency's obligation to close Escrow ("**Agency Conditions**") to the extent not expressly waived by Successor Agency:

(i) Developer shall have instructed the Title Company to consummate the Escrow as provided in Section 2.03;

(ii) Intentionally Omitted;

(iii) Subject to the provisions of this Agreement, Developer shall have timely performed all obligations set forth in the Schedule of Performance that are required to be performed prior to the Closing Date;

(iv) Successor Agency shall have received and approved all items referred to in Section 2.10, and financing for the Improvements in the form and amount approved by Successor Agency under Section 2.10 shall close prior to or concurrently with the close of Escrow;

(v) A Site Permit (as defined in Attachment 10) shall have been issued by the City's Department of Building Inspection in accordance with the timeframes specified in the Schedule of Performance, Attachment 5;

(vi) Developer shall have furnished certificates of insurance or duplicate originals of insurance policies as required by this Agreement;

(vii) There shall not be an Event of Default (as defined in Section 8.01) by Developer;

(viii) Developer shall have delivered to Successor Agency and the Title Company all instructions and documents to be delivered at close of Escrow pursuant to the terms and provisions hereof; and

(ix) Developer shall have deposited with the Title Company (i) a duly executed and acknowledged Declaration of Site Restrictions, substantially in the form of Attachment 12 and (ii) Developer's Quitclaim Deed, substantially in the form of Attachment 14.

In the event the Closing is delayed for any period beyond the Closing Date due to any one or more of the Agency Conditions not having been satisfied, where such failure to satisfy any one or more the Agency Conditions is not the result of a material default by the party responsible for the satisfaction of such Agency Condition, then the Closing Date shall be extended as provided herein and all applicable dates set forth in the Schedule of Performance shall automatically be extended by the same number of days in such period.

2.10 Submission of Evidence of Financing and Project Commitments

No later than the time specified in the Schedule of Performance for submission of Evidence of Financing and Project Commitments, Developer shall submit to Successor Agency for review and approval:

(a) A statement setting forth a budget for the total estimated construction cost of the Improvements, allocated between the Market-Rate Project, the Developer Inclusionary Project, and the OCII Affordable Project, with the construction hard costs prepared by, or with the assistance of, a licensed, bondable general contractor (the "**Budget**");

(b) A financing plan listing all sources and uses of funds set forth in the Budget, in a form reasonably satisfactory to Successor Agency (the "**Financing Plan**");

(c) (i) A letter from a "**Bona Fide Institutional Lender**", as defined in Article 13, describing a bona fide commitment or commitments for financing the construction costs of the Improvements (the "**Financing Commitment**"). The Financing Commitment shall be certified by Developer to be a true and correct copy or copies thereof; (ii) additional commitments of funding to cover the difference between the mortgage amount and the Budget, in the form of evidence of funds dedicated to the Project from the holder of such funds, or in another form reasonably satisfactory to Successor Agency; and (iii) if required by the interim construction financing, commitments for permanent financing shall be provided, also certified by Developer to be true and correct copies thereof. Developer covenants to use diligent, good faith efforts to perform any and all conditions to funding thereof;

(d) Intentionally Omitted; and

(e) A construction contract, with a bondable general contractor reasonably satisfactory to Successor Agency, for the construction of the Improvements in accordance with the estimated costs set forth in the Budget (the "**Construction Contract**").

Successor Agency will notify Developer in writing of its approval or disapproval of any of the foregoing documents within fifteen (15) days after submission of such documents to Successor Agency, including written reasons for disapproval. Successor Agency shall not unreasonably withhold such approval. Failure of Successor Agency to notify Developer of its approval or disapproval of a document or submission within said periods of time shall entitle Developer to a time extension for the approval of such document or submission until the later of (i) the date of approval by Successor Agency, or (ii) fifteen (15) days after Successor Agency provides written reasons for a disapproval. In no event will Successor Agency's failure to respond be deemed to be an approval.

In the event Successor Agency disapproves of a document or submission, Developer and Successor Agency shall cooperate to review such document or submission. Developer shall resubmit such document or submission for approval within fifteen (15) days after Successor Agency provides written reasons for a disapproval; provided, however, if Developer is diligently pursuing the correction or resolution of any deficiency in such document or submission, Developer shall be entitled to a reasonable time extension to procure Successor Agency's reasonable approval thereof. All dates set forth in the Schedule of Performance shall automatically be extended by the same number of days incurred in undertaking such review; provided, however, in no event shall the Commencement of Substantial Construction or Completion of Construction (as set forth in the Schedule of Performance) be extended as a result of such extension of the review period, unless the delay caused by such review period extends beyond six (6) weeks.

2.11 Conveyance of Title to the Public Parcel and Delivery of Possession

Subject to the provisions of Section 2.09, and provided that Developer is not then in default under the terms of this Agreement, pursuant to Section 8.01, Successor Agency Conditions and the Developer Conditions have been satisfied or expressly waived no later than the Closing Date, and Developer has paid to Successor Agency all sums due hereunder, then Successor Agency shall convey to Developer, and Developer shall accept the conveyance of, the fee simple interest in the Public Parcel, subject to the Approved Title Conditions.

2.12 Representations of Successor Agency

Successor Agency represents, warrants and covenants as of the date hereof and as of the Closing Date (unless Successor Agency delivers a notice to Developer prior to closing with any exceptions of which Successor Agency, to the best of its knowledge, becomes aware thereto) as follows:

(a) Successor Agency has all requisite power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and covenants of this Agreement. This Agreement will be a legal, valid and binding obligation of Successor Agency, but does not supersede applicable law or bind the independent regulatory discretion of the agencies having jurisdiction over the development of the Project.

(b) To the best of its knowledge, Successor Agency has not received any written notice of any existing or threatened litigation or arbitration involving the Public Parcel.

(c) To the best of its knowledge, Successor Agency has received no written notice of any currently outstanding violations of any federal, state, county or municipal law, ordinance, order, regulation, or requirement affecting the Public Parcel.

(d) To the best of its knowledge, Successor Agency has received no written information of any unrecorded possessory rights.

(e) To the best of its knowledge, Successor Agency has provided Developer with all environmental reports in Successor Agency's possession or control.

(f) To the best of its knowledge, Successor Agency has not manufactured, introduced, released or discharged from or onto the Public Parcel any Hazardous Substance or any toxic wastes, substances or materials (including, without limitation, asbestos), or permitted such manufacturing, introduction, release or discharge, in violation of any Environmental Law.

As used in this Agreement, the phrase "Successor Agency's knowledge" will be limited to the actual knowledge of current employees who work for, or are assigned to, Successor Agency.

ARTICLE 3 – PUBLIC PARCEL CONDITION; HAZARDOUS MATERIALS INDEMNIFICATION; "AS IS" PURCHASE

3.01 Prior to Conveyance/Public Parcel "As Is"

(a) Successor Agency shall convey the Public Parcel in its present, "AS IS" condition, free of any liens, leases, encumbrances, or other matters affecting title except for the Approved Title Conditions, and shall not prepare the Public Parcel for any purpose whatsoever prior to conveyance to Developer. So long as there is no material adverse change in the condition of the Public Parcel after the

Effective Date, Developer agrees to accept the Public Parcel in "AS IS" condition at the close of Escrow in the Approved Title Condition.

(b) Subject to Section 2.12(f) above, Developer acknowledges that Successor Agency has not made any representation or warranty, express or implied, with respect to the Public Parcel, and it is agreed that Successor Agency makes no representations, warranties or covenants, express or implied, as to its physical condition; as to the condition of any improvements; as to the suitability or fitness of the land; as to any Environmental Law, or otherwise affecting the use, value, occupancy or enjoyment of the Public Parcel; or as to any other matter whatsoever; it being expressly understood that the Public Parcel is being sold in an "AS IS" condition. The provisions of this Section 3.01, as with the other provisions of this Agreement, shall survive the close of Escrow and shall not merge into the Grant Deed delivered to Developer at close of Escrow.

(c) Developer has been given the opportunity to investigate the Public Parcel fully, using experts of its own choosing, as described in Section 2.07.

(d) After close of Escrow, Developer, at its sole cost and expense, shall comply with all provisions of Environmental Law applicable to the Public Parcel and Successor Agency and its respective members, officers, agents and employees shall have no responsibility or liability with respect thereto.

(e) Any costs associated with the security, maintenance/repair, and demolition of any existing structures or other improvements on the Public Parcel are the sole and absolute responsibility of Developer.

3.02 Hazardous Materials Indemnification

(a) Developer shall indemnify, defend and hold Successor Agency and its respective members, officers, agents and employees (individually, "**Indemnified Party**" and collectively, "**Indemnified Parties**") harmless from and against any losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to (A) Developer's violation of any Environmental Law, or (B) any Release or threatened Release of a Hazardous Substance, or any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Public Parcel, occurring after the close of Escrow, except where such violation, Release or threatened Release, or condition was at any time caused by the gross negligence or intentional misconduct of the Indemnified Party seeking indemnification.

(b) For purposes of Section 2.12 and this Section 3.02, the term "**Hazardous Substance**" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. §9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("**PCBs**"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code §§25316 and 25281(d), all chemicals listed pursuant to the California Health & Safety Code §25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition shall not include substances that occur naturally on the Public Parcel.

(c) The term "**Environmental Law**" shall include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.

(d) For purposes of this Section 3.02, 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 discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance).

3.03 "As Is" Purchase

DEVELOPER ACKNOWLEDGES AND AGREES THAT, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED HEREIN, SUCCESSOR AGENCY IS CONVEYING AND DEVELOPER IS ACCEPTING THE PUBLIC PARCEL ON AN "AS-IS WITH ALL FAULTS" BASIS SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES, INCLUDING WITHOUT LIMITATION, ANY ZONING ORDINANCES, OR OTHER REGULATIONS GOVERNING THE USE, OCCUPANCY OR POSSESSION OF THE PUBLIC PARCEL. DEVELOPER REPRESENTS AND WARRANTS THAT DEVELOPER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SUCCESSOR AGENCY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PUBLIC PARCEL, ITS SUITABILITY FOR DEVELOPER'S INTENDED USES OR ANY OF THE PUBLIC PARCEL CONDITIONS. SUCCESSOR AGENCY DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PUBLIC PARCEL, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PUBLIC PARCEL OR ITS USE WITH ANY STATUTE, RESOLUTION OR REGULATION. DEVELOPER AGREES THAT NEITHER SUCCESSOR AGENCY NOR ANY OF SUCCESSOR AGENCY'S AGENTS HAVE MADE, AND SUCCESSOR AGENCY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PUBLIC PARCEL CONDITIONS.

3.04 Release

Effective from and after the Closing Date, Developer hereby waives, releases, acquits, and forever discharges Successor Agency to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has because of or in any way growing out or connected with this Agreement and the Public Parcel, including, without limitation, the condition of the Public Parcel (including any such claim which arose prior to the Closing Date, but is discovered thereafter), except (i) matters arising from Successor Agency's fraud or intentional misrepresentation, or (ii) any breach of this Agreement by Successor Agency prior to the Closing Date. **DEVELOPER EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE § 1542, AND ANY OTHER PROVISION OF LAW, THAT PROVIDES AS FOLLOWS:**

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE DEVELOPER DOES NOT KNOW OR EXPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE SUCCESSOR AGENCY.

BY PLACING ITS INITIALS BELOW, DEVELOPER SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT DEVELOPER WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

SUCCESSOR AGENCY: _____ DEVELOPER: _____

ARTICLE 4 - CONSTRUCTION OF IMPROVEMENTS

4.01 The Improvements

The Improvements are defined in Recital P and further described in the Scope of Development in Attachment 6.

4.02 Developer's Construction Obligations

(a) Developer shall commence construction and carry out the development of Improvements diligently to completion on the Site within the times and in the manner set forth herein and in the Schedule of Performance (Attachment 5) and Scope of Development (Attachment 6), as such dates may be extended from time to time as provided herein (including, without limitation, events of Force Majeure).

(b) Developer shall construct, or cause to be constructed, the Improvements in a first class manner, in accordance with Section 4.02(a) above and with applicable law, including the San Francisco Building Code and Administrative Bulletin AB-093 (Implementation of Green Building Regulations).

(c) Sixty (60) days prior to the Construction Commencement Date, Developer shall submit to Successor Agency for its review and approval an active community liaison program for keeping neighborhood residents informed about construction of the Improvements.

(d) Developer shall comply with all City construction noise ordinances and regulations including, but not limited to, the following:

(i) San Francisco Police Code Article 29 "Regulation of Noise"; and

(ii) DBI's "Night Noise Permit Issuance Policy and Procedure".

4.03 Compliance with Project Approval Documents and Law

Developer shall construct the Improvements in compliance with the Project Approval Documents (as defined in the Design Review and Document Approval Procedures ("**DRDAP**", Attachment 10) approved by Successor Agency or such similar documents as reasonably required by the City, as applicable, and in compliance with all applicable local, state and federal laws and regulations, including all laws relating to accessibility for persons with disabilities.

4.04 Compliance with Redevelopment Requirements

The Project Approval Documents shall be in compliance with: (i) this Agreement, including the Scope of Development (Attachment 6) and (ii) to the extent applicable the Redevelopment Plan, the Project Area Declaration of Restrictions, the Development Controls, the Streetscape Plan, and the

DRDAP (Attachment 10). The Redevelopment Plan, the Project Area Declaration of Restrictions, the Declaration of Site Restrictions, the Development Controls, the Streetscape Plan, the DRDAP (Attachment 10), and this Agreement, including the Scope of Development (Attachment 6), are sometimes for convenience referred to as "**Redevelopment Requirements**."

4.05 Preparation of Project Approval Documents/Approval of Architect

(a) The Project Approval Documents shall be prepared by or signed by an architect (or architects) licensed to practice architecture in and by the State of California. A California licensed architect shall coordinate the work of any associated design professions, including engineers and landscape architects. In any event:

(i) A California licensed architect shall review all construction and certify that all construction has been built based on the design standards in the drawings and specifications as submitted by the architect and as included in the Project Approval Documents; and

(ii) A California licensed structural and civil engineer shall review and certify all final foundation and grading design to be in substantial conformity with Project Approval Documents.

(b) The architect(s) for the Improvements shall certify that the Improvements have been designed in accordance with all local, state and federal laws and regulations relating to accessibility for persons with disabilities.

4.06 Submission of Project Approval Documents

Developer shall prepare and submit Project Approval Documents to Successor Agency for review and approval in accordance with the Scope of Development (Attachment 6) and the DRDAP (Attachment 10), at the times established in the Schedule of Performance (Attachment 5).

4.07 Scope of Successor Agency Review/Approval of Developer's Construction

(a) Successor Agency's review and approval of Project Approval Documents is limited to (i) a determination of their compliance with (A) the Redevelopment Requirements, including the Scope of Development (Attachment 6), and (B) the Mitigation Measures referred to in Section 9.01, if any; (ii) urban design issues, including implementation of Successor Agency's urban design objectives as described in the Development Controls and Streetscape Plan; and (iii) architectural design including, but not limited to, landscape design, including materials, plantings selection and irrigation, site planning, the interior features of the Affordable Housing Units as well as their location in the "**Townhomes**" and "**Tower**" (both as defined in Attachment 6, Scope of Development), the adequacy of utilities for servicing the Site, exterior and public area signs and public art work, if any.

(b) No Successor Agency review is made or approval given as to the compliance of the Project Approval Documents with any building codes and standards, including building engineering and structural design, or compliance with building codes or regulations, or any other applicable local, 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 disabilities.

(c) Successor Agency's review and approval or disapproval of Project Approval Documents as heretofore provided in this Section shall be final and conclusive, subject to Developer's compliance with any conditions of approval. Successor Agency shall act in good faith in its review and

approval process. Successor Agency will not disapprove, or require changes subsequently (except by mutual agreement or as necessary to comply with conditions of approval) in, or in a manner which is inconsistent with, matters which it has approved previously, unless the change is required by law applicable to the development of the Project.

4.08 Construction Schedule

Developer agrees, and the Grant Deed shall contain covenants on the part of Developer, to substantially commence construction and carry the development of Improvements diligently to completion within the times specified in the Schedule of Performance or within such extension of such times as may be set forth in this Agreement or granted by Successor Agency for Developer performance as provided by this Agreement. The "**Construction Commencement Date**" for construction of the Improvements means the date specified in the written notification from Developer to Successor Agency of the date of commencement of construction, as approved by Successor Agency consistent with the Schedule of Performance and any approved extensions under Section 8.08(b), which date shall be based upon either (i) the date of commencement of construction identified in the Construction Contract, or (ii) the date identified in a notice to proceed issued by Developer and/or its architect to the general contractor. The "**Commencement of Substantial Construction**" means the completion of construction activities on the Site pursuant to a foundation addendum approved by the Central Permit Bureau of the City.

4.09 Cost of Developer Construction

The cost of developing the Site and construction of all Improvements shall be borne solely by Developer.

4.10 Issuance of Building Permits

(a) It is the intent of Developer to use the site permit process, as described in the DRDAP (Attachment 10). Developer shall have the sole responsibility for obtaining all necessary site permits, associated addenda, and any other required building permits and shall make application for such permits directly to the City's Department of Building Inspection ("**DBI**"). When applicable, Successor Agency shall reasonably and expeditiously cooperate with Developer in its efforts to obtain such permits, at no cost or expense to Successor Agency. Prior to commencing construction of any portion of the Improvements, Developer shall have obtained the requisite site permit and associated addenda. From and after the date of its submission of any such application, Developer shall diligently prosecute such application.

(b) Developer is advised that DBI forwards all site and building permits to Successor Agency, when applicable, for Successor Agency approval of compliance with Redevelopment Requirements. Successor Agency shall use its best efforts to complete such review within ten (10) business days or less. Successor Agency's review of the site permit, associated addenda, or building permit does not include any review of compliance thereof with the requirements and standards referred to in Section 4.07(b) above, and Successor Agency shall have no obligations or responsibilities for such compliance. Successor Agency evidences its approval by signing such permit and returning the permit to DBI for issuance directly to Developer. Approval of a site permit, associated addenda, or any other building permit, however, is not approval of compliance with all Redevelopment Requirements necessary for such a permit.

4.11 Delay of Construction Tax Increment Fee

(a) If the Completion of Construction (as defined in Section 4.13 below) does not occur by the date specified in the Schedule of Performance (as extended by any Force Majeure provisions),

as that date may be extended in accordance with Section 2.09, Section 2.10 or Section 8.08, then Developer shall pay the Delay of Construction Tax Increment Fee (as defined below) unless such delay is due to Developer's delay in obtaining permits required for the construction of the Improvements through no fault of Developer after Developer has satisfied the Permit Submission Condition (as defined below). The "**Permit Submission Condition**" shall mean that Developer has timely submitted documents necessary for a regulatory body, including but not limited to Successor Agency, and any agency, commission or department of the City ("**Regulatory Agency**"), to review and approve said permits, and (a) the Regulatory Agency has deemed the permit application to be complete, or (b) the Regulatory Agency has not responded as to the completeness of the submitted documents within the time period provided by law or then existing adopted written policy, or if no specific time period is so provided, within a reasonable period of time. The "**Delay of Construction Tax Increment Fee**" shall be an amount equal to the estimated property taxes that the San Francisco Office of the Assessor-Recorder ("**Assessor-Recorder**") would have assessed based on the fair market value of the Site and Improvements if construction had been completed by the date specified in the Schedule of Performance (as so extended) less any property taxes actually assessed and paid by Developer for the Site and Improvements.

(b) To establish the fair market value for purposes of determining the Delay of Construction Tax Increment Fee, the Parties shall commence an appraisal process (the "**Appraisal Process**"). The Appraisal Process shall be as follows:

(i) Each Party shall, at its own expense, designate a licensed MAI Appraiser with at least ten (10) years' experience in the sale and purchase of comparable commercial properties in the San Francisco market. If either party fails to designate its appraiser as set forth in this subparagraph within twenty-one (21) days after Successor Agency delivers written notice pursuant to Section 4.11(c) below, then the appraiser selected by the other Party shall act alone and his/her determination shall be binding.

(ii) The two (2) appraisers selected by the Parties (the "**Party Appraisers**") shall each select a similarly qualified, independent appraiser whose expenses shall be shared equally by Developer and Successor Agency (the "**Neutral Appraiser**"). If the Neutral Appraiser cannot be agreed to by the Parties, then the American Arbitration Association, or any successor organization, shall select the Neutral Appraiser in accordance with its rules and procedures and subject to California law regarding the selection of arbitrators. The Parties shall jointly share the fees charged by the American Arbitration Association.

(iii) The Party Appraisers selected by the Parties shall, after soliciting, accepting and reviewing such information and documentation as they may deem necessary and appropriate, including that submitted by either Party, within thirty (30) days after appointment, prepare a statement of what they consider the fair market value of the Public Parcel (the "**FMV**").

(iv) Once the two (2) Party Appraisers reach their conclusions, then the Neutral Appraiser shall select as the purchase price one of the FMV determinations submitted by the Party Appraisers that he or she determinates to be closest to the actual FMV, without averaging or otherwise compromising between the two values, and the amount so calculated being the FMV shall be binding on the Parties.

Any costs incurred by Successor Agency pursuant to this Section 4.11(b) shall be Successor Agency Costs.

(c) Successor Agency may initiate, at any time after Developer has failed to satisfy the time in the Schedule of Performance for the Completion of Construction, the Appraisal Process upon 21 days of notice to Developer; provided, however, that Successor Agency shall not initiate the Appraisal

Process more than once in a twelve month period. The Appraisal Process shall determine the estimated fair market value of the Site and Improvements if Developer had complied with the Schedule of Performance.

(d) Developer shall pay the Delay of Construction Tax Increment Fee to Successor Agency for its use in fulfilling its obligations under the Implementation Agreement and the Transbay Affordable Housing Obligation. Developer shall not receive a credit of any kind with the Assessor-Recorder for any payments made pursuant to this Section 4.11.

4.12 Construction Signs and Barriers

Developer shall provide appropriate construction barriers and construction signs and post the signs on the Site during the period of construction. The size, design and location of such signs and the composition and appearance of any non-moveable construction barriers shall be submitted to Successor Agency, if applicable, for approval before installation, which approval shall not be unreasonably withheld and shall otherwise comply with applicable laws.

4.13 Certificates of Completion

(a) Final Certificate of Completion

(i) When Developer has achieved substantial completion of the construction of the Improvements in accordance with this Agreement, Developer may request in writing that Successor Agency issue a Final Certificate of Completion, in the form of Attachment 11-A hereto, recognizing that Developer has met the development obligations of this Agreement. In submitting such requests to Successor Agency for a Final Certificate of Completion, Developer shall provide (i) DBI's Final Certificate of Occupancy ("**Final C of O**") for the Improvements and (ii) a certification from Developer that it has satisfied in all material respects all obligations that are required to be satisfied under this Agreement for issuance by Successor Agency of the Final Certificate of Completion. Developer's certification shall include the following supporting documentation: (1) certification from Developer's architect that the Improvements have been constructed in accordance with the Project Approval Documents and in compliance with all applicable local, state and federal laws and regulations (including all laws relating to accessibility for persons with disabilities); (2) written determinations by the City of completion of streetscape or other public infrastructure improvements required under this Agreement; (3) any information necessary to determine compliance with Successor Agency Equal Opportunity Program, as described in Article 10 and Attachment 13, including Small Business Enterprise utilization reports, final certified payroll reports from Developer's construction contractors and subcontractors, construction workforce requirements, and the executed First Source Hiring Agreement between Developer and the Office of Economic and Workforce Development – CityBuild; and (4) Developer is otherwise in compliance with this Agreement, including, without limitation, Section 5.05(b) below.

(ii) Upon receipt of such request, Successor Agency shall review the request and notify Developer within fifteen (15) days of receipt of the request of Successor Agency's determination of whether or not it will issue the Final Certificate of Completion for the Improvements covered by the request. Any notice from Successor Agency stating that it will not issue the Final Certificate of Completion shall specify the reasons therefor following which Developer may seek to satisfy any unfulfilled obligations and again submit a request for the Final Certificate of Completion. Successor Agency's determination shall be based on Developer's compliance with the requirements of this Agreement that must be complied with to the date of the issuance of the Final C of O for the Improvements.

(iii) Upon Successor Agency's determination that it will issue the Final Certificate of Completion, Successor Agency shall promptly issue to Developer, in recordable form, a duly

executed Final Certificate of Completion in the form of Attachment 11-A, which results in the termination of this Agreement with respect to the construction of Improvements, except for those provisions that survive termination of this Agreement as provided in Section 5.10.

(iv) The Final Certificate of Completion shall be a conclusive determination of the Completion of Construction of the Improvements (defined below) in accordance with this Agreement and the full performance of the agreements and covenants contained in this Agreement and in the Grant Deed with respect to the obligations of Developer, and its successors and assigns, except for those provisions that survive termination of this Agreement as provided in Section 5.10, to construct the Improvements in accordance with the approved Project Approval Documents. "**Completion of Construction**" shall mean the date on which Successor Agency issues the Final Certificate of Completion.

(v) Successor Agency's issuance and recordation of any Final Certificate of Completion does not relieve Developer or any other person or entity from any City requirements or conditions to occupancy of such Improvements, which requirements or conditions shall be complied with separately.

(b) Unit Certificate of Completion. If Developer is prepared to sell individual residential units prior to issuance of the Final Certificate of Completion, Successor Agency will issue a **"Unit Certificate of Completion"** in the form shown in Attachment 11-B promptly following Developer's request with respect to individual units upon satisfaction of the following conditions: (i) substantial completion of the Improvements relating to the unit as evidenced by the City's issuance of a Temporary Certificate of Occupancy (**"Temporary C of O"**) for a portion of the building that includes such unit; and (ii) for Affordable Housing Units, Successor Agency has reasonably determined that the unit will be sold in compliance with the affordability restrictions of Section 9.03 and the Limited Equity Homeownership Program (Attachment 18), as evidenced by Successor Agency's execution of a Limited Equity Program Declaration of Restriction and deposit of such Declaration of Restriction into the unit sales escrow; provided however, that the Unit Certificate of Completion will only be applicable to a specific unit and the Project will still be required to receive a Final Certificate of Completion for the Improvements as a whole. With respect to each unit, the Unit Certificate of Completion will mean:

(i) that the title to the unit (including the purchaser's respective interest in the Project common area associated with the ownership of that Unit) shall be released from the encumbrance of this Agreement, except for those applicable provisions that survive termination of this Agreement;

(ii) that any party purchasing the unit will not (because of the purchase) incur any obligation with respect to the construction of the Improvements relating to the unit or to any other part, parcel or unit of the Project;

(iii) that neither Successor Agency nor any other party thereafter will have or be entitled to exercise with respect to the unit, any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to the Site as a result of a default in or breach of any provisions of this Agreement or the Grant Deed; and

(iv) that any Holder of a Mortgage encumbering the unit will not be bound by this Agreement, except for those applicable provisions that survive termination of this Agreement, as set forth in Section 5.10 herein, including, but not limited to, the restrictions on Affordable Housing Units.

4.14 Right to Reconstruct the Improvements in the Event of Casualty

In the event that the Improvements are destroyed by casualty prior to the issuance of the Final Certificate of Completion, Developer shall have the right to rebuild the applicable Improvements substantially in conformity with the approved Project Approval Documents, subject to changes necessary to comply with the applicable building code, and in the event the Redevelopment Requirements are no longer in effect, the planning code, and other local requirements then in effect for the Site.

4.15 Access to Site – Successor Agency

Upon reasonable prior notice to Developer, Successor Agency, the City, and their respective representatives will have the right to enter upon the Site at reasonable times, with 48 hour prior notice, at no cost or expense to Successor Agency or the City during normal business hours, during the period of construction of the Improvements to the extent necessary to carry out the purposes of this Agreement, including inspecting the work of construction of the Improvements. Developer will have the right to have an employee, agent or other representative of Developer accompany Successor Agency, the City, and their representatives at all times while they are present on the Site. Successor Agency, the City, and their respective representatives will exercise due care in entering upon and/or inspecting the Site, and will perform all entry and inspection in a professional manner and so as to preclude any damage to the Site or Improvements, or any disruption to the work of construction of the Improvements. Successor Agency, the City, and their respective representatives will abide by any reasonable safety and security measures Developer or its general contractor imposes.

4.16 Off-Site Infrastructure and Improvements Damage

In addition to the indemnification provisions contained in Section 12.01 of this Agreement, Developer further agrees to repair fully and/or replace to the satisfaction of Successor Agency, any damage to the off-site infrastructure and improvements within the Project Area, including streets, sidewalks, curbs, gutters, drainage ditches, fences and utility lines lying within or adjacent to the Site resulting from work performed by or for such party in the development of the Site as set forth herein. Developer or its respective general contractor, before commencement of such off-site work, shall secure this obligation with a $250,000 bond or insurance in form acceptable to Successor Agency, or other security acceptable to Successor Agency, such as a personal guaranty. Developer's liability under this provision shall not be limited to the amount of the bond or insurance.

4.17 Insurance Requirements

(a) Without in any way limiting Developer's indemnification obligations under this Agreement, and subject to approval by Successor Agency of the insurers and policy forms, Developer shall obtain and maintain, or shall contractually require others to maintain, throughout the Term the minimum insurance coverage as set forth in this Section, at no expense to Successor Agency. If Developer maintains broader coverages and/or higher limits than the minimums shown in this Section 4.17, Successor Agency requires and shall be entitled to the additional coverage and/or the higher limits so maintained in the insured or beneficiary capacities set forth in this Section 4.17. Exceptions and/or deviations from the requirements of this Section 4.17 shall be permitted with the written approval of the person serving as Successor Agency's risk manager, which approval shall not unreasonably be withheld or delayed.

(b) Minimum Scope. Coverage must be at least as broad as:

(i) Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01 01) or other form approved by Successor Agency.

(ii) Insurance Services Office Automobile Liability coverage, code 1 (form number CA 00 01 – "any auto") or other form approved by Successor Agency.

(iii) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(iv) Professional Liability Insurance: Developer shall require that all architects, engineers, and surveyors, and all other design professionals for the Project have professional liability insurance covering their negligent acts, errors and omissions. Developer shall provide Successor Agency with copies of consultants' insurance certificates showing such coverage.

(v) Property Insurance: Special form coverage against direct physical loss to the Project, excluding earthquake or flood, but including vandalism and malicious mischief, during the course of construction and following Completion of Construction.

(c) Minimum Limits. Developer shall maintain limits no less than:

(i) Commercial General Liability: $15,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, which may be satisfied by a combination of primary and excess limits. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this development or the general aggregate limit must be twice the required occurrence limit.

(ii) Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

(iii) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the State of California and Employers Liability limits of $1,000,000 for bodily injury by accident and $1,000,000 per person and in the annual aggregate for bodily injury by disease.

(iv) Professional Liability: Developer shall require the project architects, engineers, surveyors and other design professionals to carry insurance covering such vendors' negligent acts, errors and omissions in amounts not less than $2,000,000 each occurrence and in the annual aggregate, with such minimum limits to be maintained for no less than ten (10) years beyond the Completion of Construction of the Improvements.

(v) Builders Risk and Property Insurance:

(A) During the course of construction, builder's risk insurance in the full completed value of the Project including coverage in transit and storage off-site, with a deductible not to exceed $50,000 each loss.

(B) Following Completion of Construction and for the useful life of the Project, full replacement value of the Project with no coinsurance penalty provision.

(d) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Successor Agency. At the option of Successor Agency,

either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to Successor Agency, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Developer will provide evidence of funding for reasonable expectation of losses and related investigations, claim administration and defense expenses.

(e) Other Insurance Provisions.

The policies are to contain, or be endorsed to contain, the following provisions:

(i) General Liability and Automobile Liability Coverage:

(A) Additional Insureds. "The 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" shall be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Developer; products and completed operations of such party, premises owned, occupied or used by such party; and automobiles owned, leased, hired or borrowed by or on behalf of such party. The coverage shall contain no special limitations on the scope of protection afforded to Successor Agency, the City and their respective commissioners, members, officers, agents or employees.

(B) Defense. Defense shall be outside the limits with respect to all Developer's required auto insurance. Defense may permissibly be inside the limits with respect to any general liability, professional liability and pollution legal liability insurance.

(C) Primary Insurance: For any claims related to this Project, Developer's insurance coverage must be primary insurance as respects to Successor Agency, the City and their respective commissioners, members, agents, and employees. Any insurance or self-insurance maintained by Successor Agency, City, and their respective commissioners, members, agents, officers or employees must be in excess of the applicable party's insurance and will not contribute with it.

(D) Reporting Provisions: Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Successor Agency, the City, and their respective commissioners, members, officers, agents or employees.

(E) Separation of Insureds Condition: Developer's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(ii) Builder's Risk (Course of Construction) Insurance: Developer may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall contain the following provision: "Successor Agency shall be named as loss payee as its interest may appear."

(iii) All Coverages: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to Successor Agency, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice shall be given.

(f) Acceptability of Insurers. Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VII or as otherwise approved by Successor Agency.

(g) Waiver of Subrogation. Developer herby grants to Successor Agency and the additional insureds a waiver of any right to subrogation which any insurer of said Developer may acquire against Successor Agency and the additional insureds by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not Successor Agency or any of the additional insureds has received a waiver of subrogation endorsement from the insurer.

(h) Reservation of Rights. Successor Agency reserves the right to require an increase in Developer's insurance coverage: (i) limits in the event Successor Agency reasonably determines that changed conditions show cause for an increase; and/or (ii) in the event of a material change in existing law, additional endorsements to Developer's coverage required herein as necessary to maintain comparable coverage to that required herein, unless Developer demonstrates to Successor Agency's reasonable satisfaction that such increase in coverage limits or additional endorsements are commercially unreasonable and/or unavailable to Developer.

(i) If any of the policies provide coverage on a claims-made basis:

(i) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

(ii) Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract of work.

(iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five years after completion of contract work.

(j) Verification of Coverage. Developer must furnish Successor Agency with certificates of insurance and with original endorsements affecting coverage required by this Section 4.17. The certificates and 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 Successor Agency before work commences. Successor Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time. Approval of Developer's insurance by Successor Agency will not relieve or decrease the obligations of Developer under this Agreement.

(k) Contractor, Subcontractors and Consultants Insurance. Before Developer's general contractor, subcontractors, consultants, architects, and engineers ("**Developer's Contractors**") enter the Site, Developer shall cause each of Developer's Contractors to maintain workers compensation, automobile liability, and commercial general liability insurance in the amounts and in accordance with the requirements listed above, as applicable, unless otherwise approved by Successor Agency's Risk Manager, and furnish or cause to be furnished to Successor Agency with the certificates of insurance and original endorsements effecting coverage required by this Section 4.17.

ARTICLE 5 - COVENANTS AND RESTRICTIONS

5.01 Covenants

Developer expressly covenants and agrees for itself, its successors and assigns and all persons claiming under or through it, that as to the Site and any Improvements constructed or to be

constructed, or alterations or changes thereto, and in addition to any other term, covenant and condition of this Agreement, Developer and all such successors and assigns and all persons claiming under or through it, shall use, devote, operate and maintain the Site and the Improvements, and every part thereof, only and in accordance with the provisions of this Article 5 unless Developer has received the express written consent of Successor Agency to make any Change in the Improvements pursuant to Section 5.08 of this Agreement. The provisions hereof are contained in the Grant Deed (Attachment 8), and/or Declaration of Site Restrictions (Attachment 12). This provision shall only apply after the Closing Date and in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect.

5.02 General Restrictions

The Site and the Improvements thereon shall be devoted only to the uses permitted by (i) the Redevelopment Plan, (ii) the Project Area Declaration of Restrictions, (iii) this Agreement, and (iv) the Declaration of Site Restrictions. This provision shall only apply after the Closing Date and in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), subsections (iii) and (iv) of this Section 5.02 shall be of no further force or effect.

5.03 Restrictions Before Completion

Prior to Successor Agency's issuance of the Final Certificate of Completion, the Site shall be used only for construction of the Improvements in accordance with this Agreement, including, but not limited to the Scope of Development (Attachment 6), subject to reasonable exceptions for marketing and social purposes that are consistent with applicable law, including the Redevelopment Plan and Related Plan Documents (as defined in the Redevelopment Plan). This provision shall only apply after the Closing Date and in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect.

5.04 Nondiscrimination

(a) There shall be no discrimination against or segregation of any person or group of persons on account of age, race, color, creed, sex, sexual orientation, gender identity, marital or domestic partner status, disabilities (including AIDS or HIV status), religion, national origin or ancestry by Developer or any occupant or user of the Site in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, and Developer itself (or any person or entity claiming under or through it) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of the Site or any part thereof, nor shall Developer or any occupant or user of the Site or any transferee, successor, assign or holder of any interest in the Site or any person or entity claiming under or through such transferee, successor, assign or holder, establish or permit any such practice or practices of discrimination or segregation, including, without limitation, with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees or others of the Site.

(b) Developer itself (or any person or entity claiming under or through it) further agrees and covenants that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California 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 California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site nor shall Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination

or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed.

(c) Notwithstanding the above, Developer shall not be in default of its obligations under this Section 5.04 where there is a judicial action or arbitration involving a bona fide dispute over whether Developer is engaged in discriminatory practices and Developer promptly acts to satisfy any judgment or award against Developer.

(d) The covenants of this Section 5.04 shall run with the land, and any transferee, successor, assign, or holder of any interest in the Site, or any occupant or user thereof, whether by contract, lease, rental, sublease, license, deed, mortgage or otherwise, and whether or not any written instrument or oral agreement contains the foregoing prohibitions against discrimination, shall be bound hereby and shall not violate in whole or in part, directly or indirectly, the nondiscrimination requirements set forth above; provided, however, in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect; provided, further, that nothing herein shall invalidate any applicable non-discrimination law.

5.05 Restrictions on Affordable Housing Units

(a) The Affordable Housing Units must remain affordable for the life of the Project. For the purposes of this Agreement, "life of the Project" shall mean the time during which the Project, including any future modification thereto, remains in existence.

(b) All of the Affordable Housing Units shall be sold pursuant to OCII's Limited Equity Program ("**LEP**"), included as Attachment 18, in order to ensure the units will be permanently affordable. Prior to each sale, a declaration in the form of the "Declaration of Restrictions for For-Sale Affordable Housing Units and Option to Purchase Agreement" in the form contained in Attachment 18 (or such revised form of Declaration approved by Successor Agency) shall be recorded. The Affordable Purchase Price (at initial sale and future resale), as defined in Attachment 18, will be set according to a formula based on the Unadjusted Area Median Income for the HUD Metro Fair Market Rent Area that contains San Francisco, as published by MOHCD ("**AMI**") rather than market values. At resale, the price will be set at the same affordability level that established the original Affordable Purchase Price, regardless of the current market value. When a homeowner sells, the homeowner's equity will be based on a formula described in Sections 3 and 4 of Attachment 18. For illustrative purposes, the Affordable Purchase Prices for 2016 are shown in Exhibit A to Attachment 18. Successor Agency shall devote adequate resources, time, and attention to fulfill its obligations under this Agreement, including, without limitation, assistance set forth under Section 9.03(g)(iv). For purposes of this Section 5.05(b), "**sold**" shall mean the close of escrow for such Affordable Housing Unit.

(c) For the life of the Project, neither Developer nor any successor or assign may make or permit any material alteration, modification, addition and/or substitution of or to the location of the Affordable Housing Units without the express prior written consent of Successor Agency upon any terms and conditions Successor Agency reasonably requires. Successor Agency's approval may be granted or withheld in its reasonable discretion.

(d) Developer shall also comply with the requirements in Section 9.03 related to the Affordable Housing Units.

5.06 No Transfers, Mortgages

Until Developer has achieved the Commencement of Substantial Construction, there shall

be (a) no sale, assignment, transfer, conveyance or encumbrance associated with any portion of the Site, except as permitted under Section 6.02 below, or (b) mortgage, encumbrance or liens on any portion of the Site, except for mortgages and deeds of trust related to the purchase of or construction on the Site; provided, however, in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect.

5.07 No Lot Merger

To preserve Successor Agency's ability to re-enter and take possession of the Public Parcel under the Power of Termination, pursuant to Section 8.02(a), Developer shall not finalize a merger of any kind of the Public Parcel and the Private Parcel until Developer has achieved the Commencement of Substantial Construction, in accordance with the provisions of Section 4.08 and the Schedule of Performance, Attachment 5. Developer may apply for a lot merger to the City at any time.

5.08 No Changes Without Approval

For the period during which the Redevelopment Plan and Project Area Declaration of Restrictions are in effect, neither Developer nor any successor or assign may make or permit any change in the uses permitted on the Site or any Change in the Improvements (as defined below), unless the express prior written consent for the change in uses or any Change in the Improvements has been requested and obtained from Successor Agency; and if obtained, upon any terms and conditions Successor Agency reasonably requires; provided, however, in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect. Successor Agency's approval may be granted or withheld in its reasonable discretion. "**Change in the Improvements**" is defined as any material alteration, modification, addition and/or substitution of or to the Site or the Improvements that affects: (a) the density of development; (b) the extent and nature of the open space on the Site; (c) the exterior design; (d) the exterior materials; and (e) the exterior color. For the purposes of this Section, "**exterior**" also includes the roof of the Improvements.

5.09 Effect, Duration and Enforcement of Covenants

(a) It is intended and agreed, and the Grant Deed and/or Declaration of Site Restrictions shall expressly provide, that the covenants provided in this Article 5 shall be covenants running with the land as and to the extent set forth in the Grant Deed and/or the Declarations of Restrictions and that they shall be, in any event and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement itself, to the fullest extent permitted by law and equity,

(i) binding for the benefit and in favor of Successor Agency, as beneficiary, as to all covenants set forth in this Article 5; and the City and the owner of any other land or of any interest in any land in the Project Area (as long as such land remains subject to the land use requirements and restrictions of the Redevelopment Plan and the Project Area Declaration of Restrictions), as beneficiary, as to the covenants provided in Sections 5.02 and 5.04; and their respective successors and assigns; and

(ii) binding against Developer, its successors and assigns to or of the Site and any Improvements thereon or any part thereof or any interest therein, and any party in possession or occupancy of the Site or the Improvements thereon or any part thereof. It is further intended and agreed that the covenants provided in this Article 5 shall remain in effect respectively as set forth herein, and the covenants in Section 5.02 shall remain in effect for the respective duration of the Redevelopment Plan and the Project Area Declaration of Restrictions; provided, however, that such agreements and covenants shall be binding on Developer itself, each successor in interest or assign, and each party in possession or

occupancy, respectively, only for such period as it shall have title to or an interest in or possession or occupancy of the Public Parcel or part thereof and in the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), such agreements and covenants shall be of no further force or effect, except to the extent that they are restatements of applicable law, including the Redevelopment Plan and Related Plan Documents (as defined in the Redevelopment Plan).

(b) In amplification, and not in restriction, of the provisions of the preceding Sections, it is intended and agreed that Successor Agency and the City and their respective successors and assigns, as to the covenants provided in this Article 5 of which they are stated to be beneficiaries, shall be beneficiaries both for and in their own right and also for the purposes of protecting the interest of the community and other parties, public or private, and without regard to whether Successor Agency or the City has at any time been, remains, or is an owner of any land or interest therein to which, or in favor of which, such covenants relate. Successor Agency and the City and their respective successors and assigns shall have the right, in the event of any of such covenants of which they are stated to be beneficiaries, to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce the curing of such breach of such covenants to which it or any other beneficiaries of such covenants may be entitled including, without limitation, restraining orders, injunctions and/or specific enforcement, judicial or administrative. These rights and remedies are in addition to, and not in derogation of, the rights and remedies of Successor Agency set forth in this Agreement.

(c) The conveyance of the Public Parcel by Successor Agency to Developer is made and accepted upon the express covenants contained in this Article 5 as set forth herein, which, except only as otherwise specifically provided in this Agreement itself, shall survive the Final Certificate of Completion and shall be provided for in the Grant Deed and/or the Declaration of Site Restrictions.

(d) Developer shall be entitled to notice and shall have the right to cure any breach or violation of all or any of the foregoing in accordance with Article 8.

5.10 Provisions Surviving Completion of Construction

The following provisions (together with any definitions or other general provisions necessary to implement the following provisions) shall survive Successor Agency's issuance and recordation of the Final Certificate of Completion, and shall also be incorporated into the Declaration of Site Restrictions (Attachment 12), and/or the Grant Deed, as applicable (Attachment 8):

(a) All requirements contained in Section 3.01(a), (b) and (d) of this Agreement;
(b) All requirements contained in Sections 3.02, 3.03 and 3.04 of this Agreement until the expiration of such requirements as set forth therein;
(c) All requirements contained in Section 4.17(c)(iv) and 4.17(c)(v)(A) of this Agreement until the expiration of such requirements as set forth therein;
(d) All requirements contained in Section 5.02 of this Agreement until the expiration of the Redevelopment Plan and the Declaration of Site Restrictions;
(e) All requirements contained in Section 5.04 of this Agreement;
(f) All requirements contained in Section 5.05 of this Agreement until the expiration of such requirements as set forth therein;
(g) All requirements contained in Section 5.08 of this Agreement until the expiration of the Redevelopment Plan and the Declaration of Site Restrictions;
(h) All requirements contained in Section 9.03 of this Agreement until the expiration of those requirements set forth in Section 5.05 of this Agreement;
(i) All requirements contained in Section 9.05 of this Agreement; and

(j) All requirements contained in Section 12.01 of this Agreement until the expiration of such requirements as set forth therein.

ARTICLE 6 – ANTI-SPECULATION, ASSIGNMENT, AND TRANSFER PROVISIONS

6.01 Representation as to Developer

Developer represents and agrees that its purchase of the Public Parcel and its other undertakings pursuant to this Agreement shall be used for the purpose of redevelopment of the Public Parcel and not for speculation in land holding.

6.02 Prohibition Against Transfer of the Site, the Improvements and the Agreement

Subject to the terms of Article 7 (which sets forth certain provisions with respect to Mortgages which may encumber the Project) and the transfer described in Section 2.04(d), and except as expressly set forth herein, Developer shall not make or create or suffer to be made or created before the Final Certificate of Completion any total or partial sale, conveyance, encumbrance, lien, assignment, option to acquire, or transfer in any other mode or form (other than with respect to Developer's mortgage financing of the Project), of this Agreement, the Site or the Improvements thereon, or any part thereof, or interest therein, or permit any significant change in the ownership of Developer to occur or contract or agree to do any of the same (collectively a "**Transfer**") without the prior written approval of Successor Agency, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, Developer shall have the right, without the prior written consent or approval of Successor Agency, to transfer the ownership of the Site or any interest in the entity that owns the Site, so long as an affiliate of Tishman Speyer at all times retains the right to control the day to day management of the Site and the ownership thereof; provided, further, Developer shall have the right, without the prior written consent or approval of Successor Agency, to sell the Market-Rate Units, the Affordable Housing Units, the Retail Units (the "**Retail Units**" shall be as shown on Attachment 17), and enter into any leases and easement agreements affecting the Site or the Improvements thereon. Nothing contained in this Article 6 shall prohibit or limit the sale of the Market-Rate Units, parking licenses, the Retail Units or the Affordable Housing Units by Developer as permitted by this Agreement. In the event Successor Agency exercises the Power of Termination and regains title to the Public Parcel pursuant to Section 8.03(a), this provision shall be of no further force or effect.

6.03 Effect of Violation

(a) In the absence of specific written approval by Successor Agency, and except to the extent set forth in this Agreement, no Transfer shall be deemed to relieve Developer or any other party from any obligations under this Agreement prior to the Transfer or deprive Successor Agency of any of its rights and remedies under this Agreement or the Grant Deed.

ARTICLE 7 - MORTGAGE FINANCING: RIGHTS OF MORTGAGEES

7.01 Mortgagee

For purposes of this Agreement, the term "**Mortgagee**" shall singly and collectively include the following: (a) a mortgagee or beneficiary under a mortgage or a deed of trust concerning all or any portion of the Public Parcel (a "**Mortgage**"), and (b) any insurer or guarantor of any obligation or condition secured by a Mortgage concerning all or any portion of the Public Parcel.

7.02 Required Provisions of Any Mortgage

Developer agrees to use commercially reasonable efforts to have any Mortgage provide that the holder of such Mortgage ("**Holder**") shall give notice to Successor Agency in writing by registered or certified mail of the occurrence of any default by Developer under the Mortgage, and that Successor Agency shall be given notice at the time any Holder initiates any Mortgage foreclosure action. In the event of any such default, Successor Agency shall have the right to cure such default, provided that Developer is given not less than fifteen (15) days' prior notice of Successor Agency's intention to cure such default. If Successor Agency shall elect to cure such default, Developer shall pay the cost thereof to Successor Agency upon demand, together with the interest thereon at the maximum interest rate permitted by law, unless (i) Developer cures such default within such 15-day period, or (ii) if curing the default requires more than fifteen (15) days and Developer shall have commenced cure within such fifteen (15) days after such notice, Developer shall have (A) cured such default within forty-five (45) days or such greater time period as may be allowed by Holder after commencing compliance, or (B) obtained from the Holder a written extension of time in which to cure such default. Developer also agrees to have any Mortgage provide that such Mortgage is subject to all of the terms and provisions of this Agreement.

7.03 Address and Acknowledgment of Mortgagee

No Mortgagee shall be entitled to exercise the rights set forth in this Article 7 unless and until written notice of the name and address of the Mortgagee shall have been given to Successor Agency, notwithstanding any other form of notice, actual or constructive. Successor Agency shall, upon written request, promptly acknowledge receipt of the name and address of the Mortgagee and confirm to such party that such party is or would be, upon closing of its financing or its acquisition of an existing Mortgage, a Holder entitled to all rights under this Article 7 and a Bona Fide Institutional Lender, provided that Successor Agency receives reasonable proof of the foregoing. Such acknowledgment shall, if requested, be in recordable form and may be recorded at Developer's expense. After reviewing the proof of the status of any prospective mortgagee, if Successor Agency reasonably determines that any such acknowledgment requested by Developer or such prospective mortgagee or assignee would be inaccurate, then Successor Agency shall promptly notify Developer and the prospective mortgagee or assignee of such determination. Such notice shall specify the reasonable basis for Successor Agency's determination. If Successor Agency has received notice of any Mortgage, then such notice shall automatically bind Successor Agency's successors and assigns.

7.04 Mortgagee's Right to Cure

If Developer creates a Mortgage on the Public Parcel in compliance with the provisions of this Article 7, then so long as any such Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) Successor Agency, upon serving Developer any notice of default or any other notice under the provisions of or with respect to this Agreement, shall also serve a copy of such notice upon any Holder at the address provided to Successor Agency pursuant to this Agreement, and no notice by Successor Agency to Developer hereunder shall affect any rights of a Holder unless and until a copy thereof has been so served on such Holder.

(b) Any Holder, in case Developer shall be in default hereunder, shall have the right to remedy, or cause to be remedied, such default within the later to occur of (i) one hundred twenty (120) days following the date of Holder's receipt of the notice referred to in Section 7.04(a) above, or (ii) one hundred twenty (120) days after the expiration of the period provided herein for Developer to remedy or cure such

default, and Successor Agency shall accept such performance by or at the insistence of the Holder as if the same had been timely made by Developer.

(c) Any notice or other communication which Successor Agency shall desire or is required to give to or serve upon the Holder shall be in writing and shall be served in the manner set forth in Section 12.03, addressed to the Holder at the address provided for in this Agreement.

(d) Any notice or other communication which Holder shall give to or serve upon Successor Agency shall be deemed to have been duly given or served if sent in the manner and at Successor Agency's address as set forth in Section 12.03, or at such other address as shall be designated by Successor Agency by notice in writing given to the Holder in like manner.

7.05 Application of Agreement to Mortgagee's Remedies

No provision of this Agreement shall limit the right of any Mortgagee to foreclose or otherwise enforce any mortgage, deed of trust or other encumbrance upon the Public Parcel, nor the right of any Mortgagee to pursue any remedies for the enforcement of any pledge or lien upon the Public Parcel; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance or sale pursuant to any power of sale contained in any such mortgage or deed of trust, or other lien or encumbrance, the purchaser or purchasers and their successors and assigns and the Public Parcel shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants herein provided for, subject to Section 7.04, but not any past due obligations of Developer, for which Developer shall remain liable. In no event shall Mortgagee be in default of any such future obligations provided for in this Agreement until at least one hundred twenty (120) days after the date of the transfer of title, plus any cure periods provided for hereunder.

7.06 No Obligation to Construct Improvements or Pay Money Damages

The Mortgagee, including without limitation any Mortgagee who obtains title to the Public Parcel or any part thereof as a result of foreclosure proceedings or action in lieu thereof (but not including any other party who thereafter obtains title to the Public Parcel or any part thereof from or through such Mortgagee or any purchaser at a foreclosure sale other than the Mortgagee), shall in no way be obligated by the provisions of the Agreement to either pay money damages or other consideration to Successor Agency, or to construct or complete, nor shall any covenant or any other provision in the Redevelopment Plan, the Project Area Declaration of Restrictions, or any other document, instrument or plat whatsoever be construed to so obligate such Mortgagee; provided, however, that nothing in this Agreement shall be construed to permit or authorize such Mortgagee to devote the Public Parcel or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or authorized in the Redevelopment Plan, the Project Area Declaration of Restrictions, this Agreement, and the Declaration of Site Restrictions.

7.07 Accommodation of Mortgagees and Mortgagee Protections

Successor Agency is obligated to act reasonably in all dealings with Mortgagees, to make reasonable accommodations with respect to the interests of Mortgagees, and to agree to reasonable amendments to this Agreement as reasonably requested by a prospective mortgagee, including, without limitation, rights to receive notices and cure defaults, consent rights, and all other rights, remedies, protections, privileges, and powers reasonably requested by a prospective mortgagee and anyone claiming through or under such prospective mortgagee, and to execute any estoppels or similar documents reasonably requested by any Mortgagee or prospective mortgagee.

7.08 No Liability

The Mortgagee shall not incur any liability to Successor Agency or Developer until it: (a) becomes a mortgagee in possession after it elects in writing to become one; or (b) has assumed control or any other form of possession of the Public Parcel for any purpose. No Mortgagee shall have any liability under this Agreement unless and until such Mortgagee becomes any assignee, purchaser, or transferee of the Public Parcel through foreclosure. Any such liability shall be non-recourse.

ARTICLE 8 - DEFAULTS AND REMEDIES

8.01 Developer Default

After the Closing Date, the occurrence of any one of the following events or circumstances shall constitute an Event of Default by Developer under this Agreement:

(a) Developer suffers or permits an unpermitted Transfer to occur, or Developer allows any other person or entity (except Developer's authorized representatives) to occupy or use all or any part of the Public Parcel in violation of the provisions of this Agreement, and such event or condition shall not have been cured within thirty (30) days following the date of written demand to cure by Successor Agency to Developer;

(b) Developer fails to pay real estate taxes or assessments on the Public Parcel prior to delinquency or places any mortgages, encumbrances or liens upon the Public Parcel or the Improvements thereon or any part thereof in violation of this Agreement, and such event or condition shall not have been cured within thirty (30) days following the date of written demand to cure by Successor Agency to Developer;

(c) Subject to the provisions of Section 8.08, Developer fails to commence promptly, or after commencement fails either to achieve Commencement of Substantial Construction or to prosecute diligently to completion (as evidenced by the issuance of a Final Certificate of Completion), the construction of the Improvements within the times set forth in the Schedule of Performance (Attachment 5) (as such times may be extended in accordance with the provisions hereof), or abandons or suspends construction of the Improvements for more than ten (10) consecutive days, and such failure, abandonment or suspension continues for a period of (i) thirty (30) days following the date of written notice thereof from Successor Agency as to an abandonment, suspension or failure to commence construction; or (ii) thirty (30) days following the date of written notice thereof from Successor Agency as to a failure to complete construction within the time set forth in the Schedule of Performance (Attachment 5) (as such times may be extended in accordance with the provisions hereof);

(d) Subject to the provisions of Section 8.08, Developer defaults under any other agreement between Successor Agency and Developer and fails to cure the same in accordance with such other agreement, and such default shall not have been cured within thirty (30) days following the date of written demand to cure by Successor Agency to Developer, provided that Successor Agency's remedies for a default under the other agreement between Successor Agency and Developer shall be limited to the remedies respectively set forth therein;

(e) Developer fails to pay any amount required to be paid hereunder, and such failure continues for a period of thirty (30) days following the date of written notice thereof from Successor Agency;

(f) Subject to the provisions of Section 8.08, Developer does not accept conveyance of the Public Parcel in violation of this Agreement upon tender by Successor Agency pursuant to this Agreement, or Developer fails to close by the Closing Date for any reason other than failure of Developer Conditions or as otherwise provided herein, and such failure shall not have been cured within five (5) business days following the date of written demand to cure by Successor Agency to Developer;

(g) Developer is in default under Successor Agency's Equal Opportunity Program, Attachment 13 and such default shall not have been cured within thirty (30) days following the date of written demand to cure by Successor Agency to Developer; provided, however, Successor Agency's remedies for any default under Successor Agency's Equal Opportunity Program shall be only as set forth in Successor Agency's Equal Opportunity Program, Attachment 13;

(h) Subject to the provisions of Section 8.08, Developer fails to obtain a Site Permit with associated addenda, and all other necessary permits for the Improvements to be constructed on the Site within the periods of time specified in this Agreement or the Schedule of Performance, except as may be extended due to actions or requirements of DBI, and such failure continues for a period of thirty (30) days following the date of written notice thereof from Successor Agency;

(i) Subject to the provisions of Section 8.08, Developer does not submit all material Project Approval Documents as required by this Agreement within the periods of time respectively provided therefor in the Schedule of Performance, and Developer does not cure such default within thirty (30) days following the date of written demand from Successor Agency;

(j) Developer defaults in the performance of or violates any covenant, or any part thereof, set forth in Section 4.04, the then-effective provisions of Article 5, the Declaration of Site Restrictions, or in the Grant Deed, and such default or violation continues for a period of thirty (30) days after the date of written demand to cure from Successor Agency to Developer; or in the case of a default which is not cured within thirty (30) days, Developer fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time.

(k) Subject to the provisions of Section 8.08, Developer fails to perform under any other agreements or obligations on Developer's part to be performed under this Agreement and such failure or breach continues for the period of time for any cure or the expiration of any grace period specified in this Agreement therefor, or if no such time or grace period is specified, within thirty (30) days after the date of written demand by Successor Agency to Developer to perform such agreement or obligation or cure such breach, or in the case of a default not susceptible of cure within thirty (30) days, Developer fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time including, without limitation, any obligations set forth in Sections 8.01(i) and 8.01(j).

Notwithstanding the terms and provisions set forth in Section 8.01 above, if a default by Developer cannot be cured by the payment of money, then no Event of Default shall have occurred if Developer commences to cure such default within thirty (30) days after notice from Successor Agency and diligently prosecutes the cure. In the event such default is not capable of being cured, Developer and Successor Agency shall cooperate in a manner that is mutually equitable in order to resolve such default.

8.02 Intentionally Omitted

8.03 Remedies of Successor Agency upon the Occurrence of an Event of Default by Developer

Upon the occurrence of an Event of Default by Developer, Successor Agency shall have the remedies set forth below.

(a) Termination of Agreement/Retention of Good Faith Deposit.

(i) Prior to Close of Escrow. Upon the occurrence of an Event of Default by Developer prior to close of Escrow, Successor Agency may, in its sole option, terminate this Agreement; in such case, Developer shall forfeit any right to reimbursement of the Good Faith Deposit and Successor Agency shall be entitled to receive and retain the Good Faith Deposit as its sole and exclusive remedy.

(ii) Prior to Commencement of Substantial Construction. Upon occurrence of an Event of Default by Developer after close of Escrow but prior to Commencement of Substantial Construction, Successor Agency may, in its sole option, terminate this Agreement; in such case, Developer shall forfeit any right to reimbursement of the Good Faith Deposit and Successor Agency shall be entitled to receive and retain the Good Faith Deposit. In addition, Successor Agency shall have the right, under the Grant Deed and subject to the terms of this Agreement, to record a reversionary quitclaim deed, substantially in the form of Attachment 14 hereto ("**Developer's Quitclaim Deed**"), re-enter and take possession of the Public Parcel, and to terminate (and revest in Successor Agency) the right, title, or interest conveyed by the Grant Deed to Developer, at no cost to Successor Agency (collectively, the "**Power of Termination**"); provided, however, Successor Agency shall provide Developer and Title Company with at least three (3) business days prior written notice of its intention to instruct the Title Company to record Developer's Quitclaim Deed (which notice shall be in addition to any other notice provided under Section 8.01 above). If Successor Agency exercises the Power of Termination, then (i) Developer shall have no further right, title or interest in or to the Public Parcel and (ii) Successor Agency may record Developer's Quitclaim Deed and proceed with developing the Public Parcel in accordance with its obligations under the Implementation Agreement and the Transbay Affordable Housing Obligation.

THE PARTIES AGREE THAT SUCCESSOR AGENCY'S ACTUAL DAMAGES, IN THE EVENT OF DEFAULT BY DEVELOPER PRIOR TO COMMENCEMENT OF SUBSTANTIAL CONSTRUCTION, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT DESCRIBED IN THIS SECTION HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SUCCESSOR AGENCY'S DAMAGES AND AS A REMEDY AGAINST DEVELOPER, AT LAW OR IN EQUITY, IN THE EVENT OF DEFAULT COVERED BY THIS SECTION ON THE PART OF DEVELOPER. RETENTION OF SUCH AMOUNT BY SUCCESSOR AGENCY SHALL CONSTITUTE LIQUIDATED DAMAGES TO SUCCESSOR AGENCY PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

SUCCESSOR AGENCY: _____ DEVELOPER: _____

If Successor Agency receives and retains the Good Faith Deposit as liquidated damages, exercises the Power of Termination, and receives title to the Public Parcel, free and clear of any obligation to convey the same to Developer, then Successor Agency shall not have the remedy of specific performance.

(b) Specific Performance. Except as provided above in Section 8.03(a) and solely with respect to the rights of Successor Agency after Commencement of Substantial Construction, Successor Agency shall have the right to institute an action for specific performance of the terms of this Agreement or

of the Grant Deed, including, but not limited to, the right to institute an action for specific performance of Developer's obligations under this Agreement or the Grant Deed to construct the Improvements.

(c) Additional Remedies. Successor Agency shall be entitled to exercise all other remedies at law or in equity, including, without limitation, (i) those provided in the Grant Deed (Attachment 8) and elsewhere in violation of the covenants described in Article 5; (ii) the Delay of Construction Tax Increment Fee described in Section 4.11; (iii) the Delay of Construction CBD Fee described in Section 9.02 (a); (iv) the Delay of Construction CFD Fee described in Section 9.02 (b); (v) the remedies set forth in the Equal Opportunity Program (Attachment 13); and (vi) the remedies set forth in the Prevailing Wage Provisions.

8.04 Intentionally Omitted

8.05 Successor Agency Default

The occurrence of any one of the following events or circumstances shall constitute an "**Event of Default**" by Successor Agency under this Agreement:

(a) Successor Agency fails to convey the Public Parcel to Developer in violation of this Agreement, pursuant to Section 2.11, and such failure continues for a period of ten (10) days following the date of written notice thereof from Developer; or

(b) Successor Agency fails to perform any other agreements or obligations on Successor Agency's part to be performed under this Agreement, and such failure continues for the period of time for any cure or the expiration of any grace period specified in this Agreement therefor, or if no such time or grace period is specified, within thirty (30) days after the date of written demand by Developer to Successor Agency to perform such agreement or obligation, or, in the case of a default not susceptible of cure within thirty (30) days, Successor Agency fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time.

8.06 Remedies of Developer

For an Event of Default by Successor Agency hereunder, Developer shall have the following remedies:

(a) Limitation on Damages. Successor Agency shall not be liable to Developer for damages caused by any default by Successor Agency, including general, special, or consequential damages, or to expend money to cure a default by Successor Agency, except as provided in subparagraph (e) below, subject to the limitations contained in subparagraph (d) below.

(b) Right of Termination. If the Closing Date is extended pursuant to Section 2.09, Section 2.10, Section 8.08, or by Successor Agency for reasons other than the request of Developer, for more than twelve (12) months, Developer shall have the right to terminate this Agreement and obtain a prompt return of the Good Faith Deposit.

(c) Other Remedies. Subject to subparagraphs (a), (b) and (d), Developer shall be entitled to exercise all other remedies at law and it equity.

(d) Non-liability of Successor Agency Members, Officials and Employees. No member, official or employee of Successor Agency or City shall be personally liable to Developer, or any

successor in interest, for any default by Successor Agency or City or for any amount which may become due to Developer or successor in interest under the terms of this Agreement.

(e) Successor Agency Liability. If Escrow fails to close due to a failure of a Developer Condition, Successor Agency shall be liable for return of the Good Faith Deposit, but Successor Agency shall have no liability for money except as provided in this Section 8.06(e).

8.07 Rights and Remedies Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties to this Agreement, whether provided by law, in equity or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such rights or remedies shall not preclude the exercise by such Parties of any other or further rights or remedies for the same or any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time thereof, of any obligation of the other party or any condition to its own obligation under this Agreement shall be effective beyond the particular obligation of the other party or condition to its own obligation expressly waived and to the extent thereof, or a waiver in respect to any other rights of the party making the waiver or any other obligations of the other party.

8.08 Force Majeure/Extensions of Time

(a) Force Majeure

(i) In the event of Force Majeure (defined below), neither Successor Agency nor Developer, as the case may be, nor any successor in interest ("**Delayed Party**", as applicable) shall be considered in breach of or default in any obligation or satisfaction of a condition, and all applicable dates set forth in the Schedule of Performance shall automatically be extended for any period of Force Majeure; provided, however, Force Majeure shall apply only if the Delayed Party seeking the benefit of the provisions of this Section has notified the other party in writing no later than ten (10) business days (or 30 days if Escrow has closed) after learning of the enforced delay, stating the cause or causes thereof and requesting an extension for the period of the enforced delay. "**Force Majeure**" for purposes of this Agreement means events that cause enforced delays in the Delayed Party's performance of its obligations under this Agreement due to one or more of the following causes, to the extent the cause is beyond the Delayed Party's reasonable control: acts of God or of a public enemy, acts of Government (but not those of Successor Agency with regard to its own acts), fires, casualties, floods, earthquakes, epidemics, quarantine restrictions, freight embargoes, inability to obtain supplies or materials or reasonably acceptable substitute supplies or materials (provided that Developer has ordered such materials on a timely basis), unusually severe weather, archeological finds on the Site, substantial interruption of work because of labor disputes, administrative appeals, litigation and arbitration (provided that in each such case that the Delayed Party proceeds with commercially reasonable due diligence to resolve any dispute that is the subject of such action), changes in laws, codes or ordinances or in the interpretation thereof, delays of subcontractors due to any of these causes.

(ii) Prior to close of Escrow, Force Majeure shall only apply to the extent it prevents (i) Successor Agency from performing its obligations, or from depositing the Grant Deed into Escrow or (ii) Developer from obtaining a Title Policy meeting the requirements of Section 2.04(a) at close of Escrow. If the delay caused by Force Majeure prior to close of Escrow extends for more than twenty-four (24) months, then either Successor Agency or Developer, by written notice to the other, may terminate this Agreement, whereupon the Good Faith Deposit shall promptly be returned to Developer and the Parties shall have no further liabilities or obligations under this Agreement arising or accruing following such termination.

(b) Inability to Obtain Financing.

(i) If, thirty (30) days prior to the Closing Date, Developer is unable, through no fault of its own, to obtain financing on Commercially Reasonable Terms (as defined below), then Developer may request that Successor Agency extend the Closing Date for up to six (6) months (the "**First Extended Closing Date**"). If Developer is unable to obtain financing on Commercially Reasonable Terms thirty (30) days prior to the First Extended Closing Date, then Developer may request that Successor Agency extend the Closing Date for up to an additional six (6) months from the First Extended Closing Date (the "**Second Extended Closing Date**"). If Developer is unable to obtain financing on Commercially Reasonable Terms thirty (30) days prior to the Second Extended Closing Date, then Developer may request that Successor Agency extend the Closing Date for up to an additional six (6) months from the Second Extended Closing Date (the "**Third Extended Closing Date**"). If Developer is unable to obtain financing on Commercially Reasonable Terms thirty (30) days prior to the Third Extended Closing Date, then Developer may request that Successor Agency extend the Closing Date for up to an additional six (6) months for a total of twenty-four (24) months.

(ii) Developer shall provide, for all requests for extensions of the Closing Date under this subsection, objective and independent evidence that it is unable, through no fault of its own, to obtain financing on Commercially Reasonable Terms. Developer's extension request are subject to Successor Agency's approval in its reasonable discretion.

(iii) "**Commercially Reasonable Terms**" shall mean (i) non-recourse (except as against the Site and assuming acceptance of standard terms typically required by an institutional lender), (ii) loan-to-cost equal to 70%, (iii) maximum interest rate of LIBOR + 300 points, and (iv) no other additional monetary terms, including, without limitation, timing and frequency of required payments or reserves, or other economic terms imposing obligations on Developer in excess of 100 points over the term of the financing.

(c) Extensions by the Executive Director. The Executive Director of Successor Agency may extend the time for Developer's performance of any term, covenant or conditions of this Agreement or permit the curing of any default upon such terms and conditions as Successor Agency determines appropriate, from time to time, without the necessity for further Commission action, so long as the cumulative extensions of any particular item do not exceed a total of twelve (12) months after the original dates in the Schedule of Performance. Notwithstanding the fact that Sections 8.08(b)(i) or (ii) above are not satisfied, the Executive Director of Successor Agency may extend the time for Developer's performance of any term, covenant or conditions of this Agreement or permit the curing of any default upon such terms and conditions as Successor Agency determines appropriate, from time to time, upon further action by the Commission; provided, however, that any such waiver or extension or permissive curing of any particular default shall not release any of Developer's obligations nor constitute a waiver of Successor Agency's rights with respect to any other term, covenant or condition of this Agreement or any other default in, or breach of, this Agreement.

8.09 Other Rights and Remedies

The rights and remedies provided to Successor Agency and Developer in this Article 8 are in addition to and not in derogation of other rights and remedies found in this Agreement and in the Grant Deed, but not set forth in this Article 8, but in no event shall (i) Successor Agency have any liability for money or to expend money except as provided in Section 8.06(e).

8.10 General

(a) Subject to the limitations thereon contained in this Agreement, either party may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the terms of this Agreement. Such legal actions shall be instituted in the Superior Court of the City and County of San Francisco, State of California, and any other appropriate court in that City and County or, if appropriate, in the Federal District Court in San Francisco, California.

(b) In the event that any legal action is commenced by Developer against Successor Agency, service of process on Successor Agency shall be made by any legal service upon the Executive Director of Successor Agency, or its counsel, or in such other manner as may be provided by law. In the event that any legal action is commenced by Successor Agency against Developer, service of process on Developer shall be made by personal service upon Developer at the address provided for Section 12.03 or at such other address as shall have been given to Successor Agency by Developer pursuant to Section 12.03 of this Agreement, or in any other manner as may be provided by law, and shall be valid whether made within or without the State of California.

ARTICLE 9 - SPECIAL TERMS, COVENANTS AND CONDITIONS

9.01 Mitigation Measures

Developer agrees that the construction and subsequent operation of all or any part of the Improvements shall be in accordance with the mitigation measures set forth in the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report dated March, 2004 ("**EIS/EIR**") and included as Attachment 15, Mitigation Measures. Additionally, Developer shall provide, to the entity, or entities, specified in Attachment 15, any required reports detailing the mitigation measures implemented by Developer and/or its contractors at the Site during demolition and construction of the Improvements until Completion of Construction of the Improvements, and through operation of the Improvements as applicable. As appropriate, these mitigation measures shall be incorporated by Developer into any contract for the construction or operation of the Improvements.

9.02 Established Districts

(a) Community Benefit District.

(i) The Site and the Improvements are subject to the Greater Rincon Hill Community Benefit District ("**CBD**"), which was authorized by the Board of Supervisors on July 31, 2015 by Resolution No. 299-15. The CBD will help fund activities and improvements such as community services and maintenance of public improvements in the Transbay Center District to benefit the properties in the CBD, including maintenance of the rooftop park on the Transit Center, for a period of fifteen (15) years.

(ii) If the Completion of Construction does not occur by the dates specified in the Schedule of Performance, as those dates may be extended in accordance with Section 2.09, Section 2.10 or Section 8.08, then Developer shall pay the Delay of Construction CBD Fee (as defined below) unless such delay is due to Developer's delay in obtaining permits required for the construction of the Improvements through no fault of Developer after Developer has satisfied the Permit Submission Condition. The "**Delay of Construction CBD Fee**" shall be an amount equal to the estimated CBD assessment amount that otherwise would have been due to the Assessor-Recorder if construction had completed by the dates specified in the Schedule of Performance (as so extended). For the purpose of this

Section 9.02(b)(ii), the "**amount that otherwise would have been due**" shall be the amount that would have been due under the assessments set forth in the Greater Rincon Hill Community Benefit District Management Plan dated July 2015 ("**District Management Plan**"), calculated as if the Improvements were subject to the District Management Plan from, and after, the date of Completion of Construction specified in the Schedule of Performance until the Improvements are subject to the District Management Plan.

(iii) Developer shall pay the Delay of Construction CFD Fee to Successor Agency or its designee. Developer shall not receive a credit of any kind with the Assessor-Recorder for any payments made pursuant to this Section 9.02(a).

(b) Mello-Roos Community Facilities District.

(i) The Improvements are subject to the provisions of the City and County of San Francisco Transbay Center District Plan Mello-Roos Community Facilities District No. 2014-1 (Transbay Transit Center) ("**CFD**"). The CFD will help pay the costs of constructing the new Transbay Transit Center, the Downtown Rail Extension, and other infrastructure in the Transit Center District Plan area.

(ii) No later than the time specified in the Schedule of Performance, Developer shall deposit with the Title Company a duly executed and acknowledged "Unanimous Approval of Annexation to a Community Facilities District and Related Matters" form in favor of annexing the Private Parcel into the CFD to be dated by the Title Company following recordation of the Grant Deed.

(iii) If the Completion of Construction does not occur by the dates specified in the Schedule of Performance, as those dates may be extended in accordance with Section 2.09, Section 2.10 or Section 8.08, then Developer shall pay the Delay of Construction CFD Fee (as defined below) unless such delay is due to Developer's delay in obtaining permits required for the construction of the Improvements through no fault of Developer after Developer has satisfied the Permit Submission Condition. The "**Delay of Construction CFD Fee**" shall be an amount equal to the estimated CFD special tax amount that otherwise would have been due to the Assessor-Recorder if construction had completed by the dates specified in the Schedule of Performance (as so extended) less any special CFD tax amounts actually assessed and paid by Developer. For the purpose of this Section 9.02(b)(iii), the "**amount that otherwise would have been due**" shall be the amount that would have been due under the special tax rates set forth in the CFD Rate and Method of Apportionment ("**RMA**") attached hereto as Attachment 16, calculated as if the Improvements were subject to the RMA from, and after, the date of Completion of Construction specified in the Schedule of Performance until the Improvements are subject to the CFD.

(iv) Developer shall pay the Delay of Construction CFD Fee to Successor Agency or its designee. Developer shall not receive a credit of any kind with the Assessor-Recorder for any payments made pursuant to this Section 9.02(b).

9.03 Affordable Housing Requirements

In addition to the requirements of Section 5.05, the following requirements shall specifically apply to the Affordable Housing Units:

(a) Affordable Housing in Project

The Project includes: (1) the Developer Inclusionary Project, an inclusionary affordable housing component consisting of no fewer than eighty (80) for-sale units in the Tower and adjacent Townhomes and (2) the OCII Affordable Project, with approximately seventy-six (76) for-sale units in

Podium 1 and Podium 2. Together, the Developer Inclusionary Project and the OCII Affordable Project comprise the "**Affordable Projects**".

(b) Level of Affordability

(i) OCII Affordable Project. All of the seventy-six (76) units in the OCII Affordable Project shall be affordable to households earning on average ninety percent (90%) of AMI. To achieve this average, one-third (approximately twenty-five) units shall be affordable to households earning no more than eighty percent (80%) of AMI, one-third (approximately twenty-six) units shall be affordable to households earning no more than ninety percent (90%) of AMI, and one-third (approximately twenty-five) units shall be affordable to households earning no more than one hundred percent (100%) of AMI.

(ii) Developer Inclusionary Project. Of the eighty (80) units in the Developer Inclusionary Project, fifty (50) units shall be affordable to households earning no more than one hundred percent (100%) of AMI, and no fewer than thirty (30) units shall be affordable to households earning no more than one hundred twenty percent (120%) of AMI.

The affordability levels of the Affordable Housing Units as set forth in this Section 9.03(b) shall be distributed as evenly as practicable among the unit types detailed in Section 9.03(c) below, as shown in Attachment 17. Successor Agency or its designee shall approve any material changes to this distribution.

(c) Unit Mix and Location

(i) OCII Affordable Project. The OCII Affordable Project shall include a minimum of twenty percent (20%) three-bedroom units, twenty-five percent (25%) two-bedroom units, and fifty-five percent (55%) one-bedroom units, as shown on Attachment 17. One- and two-bedroom units shall include a minimum of one bathroom; three-bedroom units shall include a minimum of one and one half bathrooms.

(ii) Developer Inclusionary Project. The unit mix in the Developer Inclusionary Project shall be as shown on Attachment 17. Of the units in the Developer Inclusionary Project, thirty-nine (39) units shall be distributed throughout Floors 7 -26 of the Tower, and forty-one (41) units shall be distributed on Floors 1-6 of the Tower and adjacent Townhomes, explicitly as shown in Attachment 17, Unit Mix and Location of Units.

(d) Comparability and Quality of Units

The units in the Affordable Projects shall be comparable in the number of bedrooms and overall quality of construction to the units in the Market-Rate Project. The interior features of the Affordable Housing Units need not be the same as or equivalent to those in the Market-Rate Project, as long as they are of good quality and are consistent with the then-current standards for new housing, as specified in Attachment 22. Developer and Successor Agency's agreed-upon finishes and specifications for the Affordable Housing Units are detailed in Attachment 22, Comparability of Affordable Housing Units; Successor Agency or its designee shall approve any material changes to these specifications. The categories of appliances installed in the units in the Affordable Projects shall match the categories of appliances installed in the units in the Market-Rate Project, excluding the penthouse units. For example, if the non-penthouse units in the Market-Rate Project have washer/dryer hook-ups, dishwashers, and refrigerators, then the units in the Affordable Projects shall have washer/dryer hook-ups, dishwashers, and refrigerators. In no event, however, must the appliances in the units in the Affordable Projects be of the same or comparable brands as the appliances in the units in the Market-Rate Project. The units in the

Affordable Projects shall not be less than 575 square for a one-bedroom unit, 800 square feet for a two-bedroom unit, and 1,100 square feet for a three-bedroom unit.

(e) Parking

(i) OCII Affordable Project. Parking for the OCII Affordable Project shall be provided in the Garage, as defined in Section 9.06 and the Scope of Development, at a rate that is no less than one stall for every four residential units. In addition to the upfront purchase price for the Affordable Housing Units, parking spaces shall be made available to the buyers of the Affordable Housing Units for ongoing costs at a monthly below market cost that is the lesser of (1) one-half the current market rate for parking in the neighborhood or (2) the operating cost of the Garage; provided, however, such parking spaces shall not be deeded spaces.

(ii) Developer Inclusionary Project. Parking for the Developer Inclusionary Project shall be provided in the Garage, as defined in Section 9.06 and the Scope of Development, at a ratio that is the same as the ratio of parking stalls to residential units for the Market-Rate Project. In no event, however, shall the ratio exceed one parking stall per residential unit. In addition to the upfront purchase price for the Affordable Housing Units, parking spaces shall be made available to the buyers of the Affordable Housing Units at a monthly below market cost that is the lesser (1) one-half the current market rate for parking in the neighborhood or (2) the operating cost of the Garage; provided, however, such parking spaces shall not be deeded spaces.

(f) Separate Homeowners Association

(i) The proposed organizational structure for the operation of the Project will consist of one master homeowners associations ("**Master HOA**") with two sub-associations: (1) the "**Market-Rate HOA**" comprised of the 235 units in the Market-Rate Project and the Retail Units, and (2) the "**Affordable Projects HOA**" comprised of the 156 Affordable Housing Units in the Developer Inclusionary Project and the OCII Affordable Project, as further described in Attachment 19. The final structure of the homeowners association ("**HOA**") is subject to approval from the California Bureau of Real Estate ("**BRE**"). The goal of the Parties is to limit the assessments for residents of the Affordable Projects HOA and provide protection for these residents against excessive HOA dues increases and special assessments. Developer's application to BRE for a Public Report shall include a budget providing that the Affordable Projects HOA assessments, upon initial occupancy of the Affordable Housing Units, shall not exceed $850.00 per month (exclusive of parking).

(ii) No later than the time specified in the Schedule of Performance, Attachment 5, Developer shall submit the following to Successor Agency for review and approval:

(A) A "**Condominium Program**" for the Project that shall be based on the proposed structure in Attachment 19 and include all organizational documents required for issuance of a Final Public Report by BRE. The organizational documents shall include Covenants, Conditions and Restrictions, a Tentative Map, and a Reciprocal Easement Agreement; and

(B) A copy of the Preliminary Public Report application to be submitted to BRE;

(C) A copy of the Conditional Public Report application to be submitted to BRE;

(D) A copy of the Final Public Report application to be submitted to BRE; and

(E) A copy of any revisions or resubmittals of any of the above items (A) through (D) to be resubmitted to BRE in response to comments from BRE.

(iii) To the extent permitted by BRE, Developer shall list Successor Agency as an interested party to receive all correspondence related to the materials submitted pursuant to subsection (ii), above. If not permitted by BRE, then Developer shall, within five (5) business days of receipt, provide to Successor Agency a complete copy of any and all correspondence received from BRE concerning the materials submitted pursuant to subsection (ii), above.

(iv) If BRE rejects the Affordable Projects HOA assessments, determines that they are inadequate, or otherwise proposes changes that adversely affects the Affordable Projects HOA structure, Developer shall, prior to responding to BRE concerns, meet and confer, and work in good faith, with Successor Agency to resolve the BRE concerns in a manner that preserves, to the extent legally possible, the program for the Affordable Projects described in this Agreement, including the maximum Affordable Projects HOA assessments.

(v) This Agreement and the proposed structure in Attachment 19 establish a target maximum HOA dues of $850 per month (exclusive of parking) for each Affordable Housing Unit, upon initial occupancy of the Affordable Housing Units, as noted in Section 9.03(f)(i) above, and provide residents of the Affordable Projects with the ability to control excessive assessments. In addition, Developer shall make a payment of Two Hundred Twenty Five Thousand Dollars ($225,000) to Successor Agency or its designee, within ninety (90) days of BRE approval of the Final Public Report, for the purpose of protecting the residents of the Affordable Housing Units from excessive and/or increasing HOA costs.

(g) Marketing and Occupancy Preferences

(i) The initial and subsequent resale of all Affordable Housing Units will be subject to the marketing obligations described in Attachment 20, Marketing Obligations, which include occupancy preferences for, among others, Certificate of Preference holders and Ellis Act Housing Preference holders, and other targeted populations.

(ii) Early Outreach Plan. No later than thirty (30) days after the Construction Commencement Date, Developer shall submit to Successor Agency for its review and approval an outreach plan for initial marketing of the Affordable Housing Units in compliance with the restrictions set forth in Attachment 20 and in form and substance acceptable to Successor Agency.

(iii) Marketing Plan. No later than twelve (12) months prior to issuance of a Temporary C of O, Developer shall submit to Successor Agency for its review and approval a marketing plan for the sale of the BMR units ("**Marketing Plan**") in accordance with the requirements of Attachment 20.

(iv) Developer Marketing Assistance. No later than one hundred eighty (180) days prior to commencing sales of the Affordable Housing Units, Developer shall make a payment of Fifty-Two Thousand Dollars ($52,000.00) to Successor Agency or its designee for the purpose of hiring additional staff or contractors to aid in the marketing, price setting, and approval of buyers for the Affordable Housing Units, which additional staff or contractors shall be solely dedicated to the sales of the Affordable Housing Units.

9.04 Streetscape Improvements

Developer shall complete or cause to be completed the design and construction of the Streetscape Improvements (as defined in Attachment 6, Scope of Development), including improvements to Folsom, Main, and Spear Streets and construction of a portion of Clementina Street. Any costs incurred to complete the Streetscape Improvements, including the cost of relocating utilities, shall be the sole responsibility of Developer.

Developer shall maintain or cause to be maintained the Streetscape Improvements in compliance with the laws of the State of California and the Ordinances and Regulations of the City and County of San Francisco for the useful life of the Project.

9.05 Shared Open Space and Amenities

Developer shall complete or cause to be completed the design and construction of the Shared Open Space and Amenities (as defined in Attachment 6, Scope of Development). Developer shall maintain or cause to be maintained the Shared Open Space and Amenities in compliance with the applicable laws of the State of California and the Ordinances and Regulations of the City and County of San Francisco. The ongoing operation and maintenance costs of the Shared Open Space and Amenities shall be allocated between the Market-Rate Project, the OCII Affordable Project and the Developer Inclusionary Project as described in Attachment 19, subject to approval by BRE. The Shared Open Space and Amenities shall be equally accessible to all residents of the Project and there shall be no fees required for use of the amenities by Project residents beyond HOA dues.

9.06 Shared Underground Parking Garage

Developer shall complete or cause to be completed the design and construction of the "**Garage**", including the "**Car Share Spaces**" (both as defined in Attachment 6, Scope of Development). The ongoing maintenance and operation costs of the Garage shall be allocated between the Market-Rate Project, the OCII Affordable Project, and the Developer Inclusionary Project as described in Attachment 19, subject to approval by BRE.

9.07 Relocation of Casual Carpool

Developer acknowledges that a casual carpool pickup location is currently located on Spear Street adjacent to the Site. No later than ninety (90) days prior to the Commencement of Substantial Construction, Developer shall coordinate with the San Francisco Municipal Transportation Agency ("**SFMTA**") to relocate the casual carpool pickup location from its current location to an alternative site in the Transbay District. Developer shall be liable for all costs associated with the move and shall coordinate outreach as required by SFMTA.

ARTICLE 10 – SUCCESSOR AGENCY EQUAL OPPORTUNITY PROGRAM

Developer will comply with Successor Agency's Equal Opportunity Program, as described in this Article 10 and in Attachment 13, and will submit all documents required pursuant to the policies included in Attachment 13 ("**Equal Opportunity Program**"), pursuant to the Schedule of Performance (Attachment 5).

(a) Non-Discrimination

(i) Non-Discrimination in Benefits. Developer does not as of the date of this Agreement and will not during the term of this Agreement, in any of their operations in San Francisco or with respect to their operations under this Agreement (i.e., providing services related to the Development project) elsewhere in 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 (collectively "**Core Benefits**") as well as any benefits other than the Core Benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership had been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Successor Agency's Non-Discrimination in Contracts and Benefits Policy, adopted September 9, 1997, as amended February 4, 1998 and as set forth in Attachment 13.

(ii) Elimination of Discriminatory Restrictions. Developer agrees to take and to permit Successor Agency to take all steps legally necessary or appropriate to remove restrictions against the Public Parcel, if any, that would violate any of the non-discrimination provisions of this Section, whether the restrictions are enforceable or not.

(b) Compliance with Minimum Compensation Policy and Health Care Accountability Policy. Successor Agency finds that it has a significant proprietary interest in the Public Parcel that is being transferred to Developer, pursuant to this Agreement. Developer will comply with the applicable provisions of Successor Agency's Minimum Compensation Policy ("**MCP**"), Attachment 13, and Health Care Accountability Policy ("**HCAP**"), Attachment 13, adopted by Agency Resolution No. 168-2001 on September 25, 2001, as these policies may be amended from time to time (jointly, "**Policies**"). The requirements of the Policies include the following:

(i) the payment of the "Minimum Compensation" specified in MCP Section 3 to all "Covered Employees," as defined under MCP Section 2.7, who work on the Project, who are employed by Developer or any of its subcontractors who enter into an "Included Subcontract" (as defined in Attachment 13).

(ii) the payment of one of the health care benefit options described in HCAP Section 3 as to all "Covered Employees," as defined under HCAP Section 2.7, who work on the Project, who are employed by Developer or any of its subcontractors who enter into an "Included Subcontract" (as defined in Attachment 13).

(c) Small Business Enterprise and Workforce Agreements. Developer and Successor Agency acknowledge that the Project will create employment opportunities at all levels, including opportunities for qualified economically disadvantaged small business enterprises, qualified economically disadvantaged Project Area residents and San Francisco residents. In recognition of these opportunities, Developer shall develop and implement the Small Business Enterprise Agreement described in Attachment 13, the Construction Workforce Agreement described in Attachment 13, and the First Source Hiring Agreement described in Attachment 13.

Successor Agency shall rely on the Office of Economic and Workforce Development - CityBuild ("**CityBuild**") to implement the Construction Workforce Agreement described in Attachment 13, the First Source Hiring Agreement described in Attachment 13, and the Trainee Hiring Goal in the Small Business Enterprise Agreement described in Attachment 13; accordingly, Developer shall execute an agreement with CityBuild to fund CityBuild's staff costs for such services, up to a

maximum of Two Hundred Fourteen Thousand Nine Hundred Fifty Dollars ($214,950) of staff costs for every Five Hundred Million Dollars ($500,000,000) in total Project costs.

(d) Prevailing Wages (Labor Standards). The Parties acknowledge that the development of the Project is a private work of improvement on public land. Developer agrees to pay or cause to be paid prevailing rates of wages in accordance with the requirements set forth in Attachment 13 for construction work done at the Site prior to the issuance of the City's Final C of O.

ARTICLE 11 – INTENTIONALLY DELETED

ARTICLE 12 - GENERAL PROVISIONS

12.01 Indemnification

Developer shall indemnify, defend, and hold harmless the Indemnified Parties from and against any losses, costs, claims, damages, liabilities and causes of action (including reasonable attorney's fees and court costs) arising out of this Agreement, including with respect to any challenge to the entitlement of Developer to undertake the program described in the Scope of Development, or in any way connected with the death of or injury to any person or damage to any property occurring on or adjacent to the Site and directly or indirectly caused by any acts done thereon or any acts or omissions of Developer and its agents, employees or contractors; provided, however, that the foregoing indemnity shall not apply to any losses, costs, claims, damages, liabilities or causes of action (including reasonable attorneys' fees and court costs) due primarily to the gross negligence or willful misconduct of the Indemnified Party seeking to be indemnified or its respective agents, employees or contractors. Developer's obligations under this Section 12.01 shall survive Successor Agency's recordation of the Final Certificate of Completion as to any acts or omissions occurring prior to such recordation.

12.02 Provisions with Respect to Time Generally

All references in this Agreement to time limitations, including those in the Schedule of Performance, shall mean such time limitations as they may be extended pursuant to the terms of this Agreement.

12.03 Notices

Any notice, demand or other communication required or permitted to be given under this Agreement by either party to the other party shall be sufficiently given or delivered if transmitted by (i) registered or certified United States mail, postage prepaid, (ii) personal delivery, (iii) nationally recognized private courier services, or (iv) facsimile transmission, provided that, in such case, a confirming copy is sent by first class mail or pursuant to subsections (i), (ii) or (iii), in every case addressed as follows:

If to Successor Agency:
Successor Agency to the San Francisco Redevelopment Agency
One South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attention: Executive Director

If to Developer:
Block One Property Holder, L.P.
c/o Tishman Speyer Properties
1 Bush Street, Suite 450
San Francisco, CA 94104
Attention: Carl Shannon

Telephone: (415)344-6630

With a copies to: Tishman Speyer Properties
400 South Hope Street, Second Floor
Los Angeles, California 90071
Attention: Ann Menard
Fax: (213) 614-9760

Tishman Speyer Properties
45 Rockefeller Plaza
New York, New York 10111
Attention: Chief Legal Officer and Chief Financial Officer
Facsimile: (212) 895-0353/(212) 895-0130

DLA Piper LLP (US)
555 Mission Street, Suite 2400
San Francisco, California 94105
Attention: Stephen A. Cowan
Facsimile: (415) 659-7500

Any such notice, demand or other communication transmitted by registered or certified United States mail, postage prepaid, shall be deemed to have been received forty-eight (48) hours after mailing (unless it is never delivered), and any notice, demand or other communication transmitted by personal delivery, facsimile transmission or nationally recognized private courier service shall be deemed to have been given when received by the recipient. Any party may change its address for notices under this Section 12.03 by written notice given to the other party in accordance with the provisions hereof.

12.04 Time of Performance

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

(b) A performance date which falls on a Saturday, Sunday or Agency or national holiday is automatically extended to the next day which is not a Saturday, Sunday or Agency or national holiday.

(c) Unless otherwise specified, whenever an action is required in response to a submission, request or other communication, the responding party shall respond within fifteen (15) business days.

(d) Time is of the essence with respect to each provision of this Agreement, including each milestone set forth in this Agreement, but subject to all express extension, notice and cure rights in this Agreement.

12.05 Attachments/Recitals

All attachments and recitals to this Agreement are hereby incorporated herein and made a part hereof as if set forth in full.

12.06 Non-Merger in Deed

None of the provisions of this Agreement are intended to, or shall be, merged by reason of any deed transferring title to the Site from Successor Agency to Developer or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

12.07 Headings

Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. The terms "Paragraph" and "Section" may be used interchangeably.

12.08 Successors and Assigns

This Agreement shall be binding upon and, subject to the provisions of Article 6, shall inure to the benefit of, the successors and assigns of Successor Agency, Developer and any Mortgagee and where the term "Developer", "Successor Agency" or "Mortgagee" is used in this Agreement, it shall mean and include their respective successors and assigns, including as to any Mortgagee, any transferee of such Mortgagee or any successor or assign of such transferee, whether or not the terms "successors and assigns" are used in conjunction therewith, except where the Agreement expressly provides that successors and assigns are not so included.

12.09 Counterparts/Formal Amendment Required

(a) This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

(b) This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

(c) Any modifications or waiver of any provisions of this Agreement or any amendment thereto shall be in writing and signed by a person or persons having authority to do so, on behalf of both Successor Agency and Developer.

12.10 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

12.11 Recordation

Successor Agency shall cause this Agreement to be recorded in the Official Records at the time of conveyance of the Public Parcel to Developer.

12.12 Estoppels

At the request of any party, the other Parties, within ten (10) days following such request, shall execute and deliver to the requesting Party a written statement in which such other Parties shall certify that this Agreement is in full force and effect; that this Agreement has not been modified or amended (or stating all such modifications and amendments); that no Party is in default under this Agreement (or setting

forth any such defaults); that there are not then existing set-offs or defenses against the enforcement of any right or remedy of any Party, or any duty or obligation of the certifying Parties (or setting forth any such set-offs or defenses); and as to such other matters relating to this Agreement as the requesting Party shall reasonably request.

12.13 Attorneys' Fees

In the event that any Party brings a legal action to enforce rights under this Agreement against any other Party, the prevailing Party in any such proceeding will be entitled to recover its reasonable attorneys' fees and costs of the proceeding.

12.14 Further Assurances

Each party agrees to execute and deliver to the other party such additional documents and instruments as the other party reasonably may request in order to fully carry out the purposes and intent of this Agreement.

12.15 No Personal Liability

(a) No member, official or employee of Successor Agency or the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by Successor Agency or for any amount which may become due to Developer or successor or on any obligations under the terms of this Agreement.

(b) No officer, director, member, employee, agent or shareholder of Developer shall be personally liable for the performance of Developer's obligations under this Agreement, and neither Successor Agency nor any of its successors and assigns shall seek recourse for enforcement or satisfaction of this Agreement against any general or limited partner, officer, director, member, employee, agent or shareholder of Developer. No personal judgment shall be sought or obtained against any of the foregoing in connection with this Agreement. Neither Developer nor any of the foregoing parties shall in any circumstance be liable for any consequential damages of any kind or nature.

12.16 Effective Date

The effective date of this Agreement and the parties' rights and obligations hereunder shall be the date on which this Agreement is approved by the Commission ("**Effective Date**"). Successor Agency shall insert such date into the appropriate locations in this Agreement, but the failure to do so shall not in any way affect the enforceability of this Agreement.

ARTICLE 13 - REFERENCES AND DEFINITIONS

Terms are defined in this Article 13 or have the meanings given them when first defined.

AB 26 means California State Assembly Bill 26 and is defined in Recital F.

AB 812 means California State Assembly Bill 812 and is defined in Recital E.

AB 1484 means California State Assembly Bill 1481 and is defined in Recital F.

Affordable Housing Units means units in the Developer Inclusionary Project and the OCII Affordable Project and is defined in Recital P.

Affordable Projects means the Developer Inclusionary Project and the OCII Affordable Project and is defined in Section 9.03(a).

Affordable Projects HOA is defined in Section 9.03(f)(i).

Agency Conditions are defined in Section 2.09(b).

Agreement means this Owner Participation/Disposition and Development Agreement.

AMI means the Unadjusted Area Median Income for the HUD Metro Fair Market Rent Area that contains San Francisco and is defined in Section 5.05(b).

Amount that otherwise would have been due is defined in Section 9.02(a)(ii) and Section 9.02(b)(iii).

Appraisal Process is defined in Section 4.11(b).

Approved Title Conditions is defined in Section 2.04(a) and specified in Attachment 7, Approved Title Conditions.

Assessor-Recorder means the San Francisco Office of the Assessor-Recorder and is defined in Section 4.11(a).

Board of Supervisors means the Board of Supervisors of the City and County of San Francisco and is defined in Recital B.

Bona Fide Institutional Lender means any one or more of, a bank, savings and loan association or savings bank, commercial bank, pension fund, real estate investment trust, investment bank, insurance company, trust company, equity fund, commercial credit corporation, pension plan, pension fund or pension advisory firm or governmental agency, in each case, who customarily makes loans of the type contemplated for this Project and who have in place standard construction disbursement and monitoring systems reasonably satisfactory to Successor Agency.

BRE means the California Bureau of Real Estate and is defined in Section 9.03(f)(i).

Budget is defined in Section 2.10(a).

Car Share Spaces is defined in Attachment 6.

CBD means the Greater Rincon Hill Community Benefit District authorized by the Board of Supervisors on July 31, 2015 by Resolution No. 299-15 and is defined in Section 9.02(a)(i).

CFD means the City and County of San Francisco Transbay Center District Plan Mello-Roos Community Facilities District No. 2014-1 and is defined in Section 9.02(b)(i).

Change in the Improvements is defined in Section 5.08.

City means the City and County of San Francisco and is defined in Recital E.

CityBuild means the Office of Economic and Workforce Development – CityBuild and is defined in Section 10(c).

Closing Date is defined in Section 2.03(b) and specified in Attachment 5, Schedule of Performance.

Commencement of Substantial Construction is defined in Section 4.08.

Commercially Reasonable Terms is defined in Section 8.08(b)(iii).

Commission means the Commission on Community Investment and Infrastructure and is defined in Recital N.

Completion of Construction means the date on which Successor Agency issues the Final Certificate of Completion and is defined in Section 4.13(a)(iv).

Condominium Program is defined in Section 9.03(f)(ii)(A).

Construction Commencement Date is defined in Section 4.08.

Construction Contract is defined in Section 2.10(e).

Core Benefits is defined in Section 10(a)(i).

DBI means the City's Department of Building Inspection and is defined in Section 4.10(a).

Declaration of Site Restrictions is defined in Section 2.04(e) and substantially in the form of Attachment 12.

Delayed Party is defined in section 8.08(a).

Delay of Construction CBD Fee is defined in Section 9.02(a)(ii).

Delay of Construction CFD Fee is defined in Section 9.02(b)(iii).

Delay of Construction Tax Increment Fee is defined in Section 4.11(a).

Developer means Block 1 Property Holder L.P., a Delaware limited partnership.

Developer Conditions are defined in Section 2.09(a).

Developer Inclusionary Project is defined in Recital P and further described in Attachment 6, Scope of Development.

Developer's Quitclaim Deed is defined in Section 8.03(a)(ii).

Development Controls means the Development Controls and Design Guidelines for the Transbay Redevelopment Project and is defined in Recital C.

District Management Plan means the Greater Rincon Hill Community Benefit District Management Plan dated July 2015 and is defined in Section 9.02(a)(ii).

DOF means the State's Department of Finance and is defined in Recital H.

DRDAP means the Design Review and Document Approvals as defined in Section 4.03 and set forth in Attachment 10.

EIS/EIR means the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report dated March, 2004 and is defined in Section 9.01.

Effective Date is defined in Section 12.16.

ENA is defined in Recital N.

Environmental Law is defined in Section 3.02(c).

Equal Opportunity Program is defined in Article 10 and set forth in Attachment 13.

Escrow is defined in Section 2.03(a).

Event of Default is defined in Section 8.05.

Exterior is defined in Section 5.08.

Final C of O means DBI's Final Certificate of Occupancy for the Improvements and is defined in Section 4.13(a)(i).

Financing Commitment is defined in Section 2.10(c).

Financing Plan is defined in section 2.10(b).

First Extended Closing Date is defined in Section 8.08(b)(i).

FMV means the fair market value of the Public Parcel and is defined in Section 4.11(b)(iii).

Force Majeure is defined in Section 8.08(a)(i).

Former Agency means the Redevelopment Agency of the City and County of San Francisco and is defined in Recital A.

Garage is defined in Attachment 6.

Good Faith Deposit is defined in Section 1.06.

Hazardous Substance is defined in Section 3.02(b).

HCAP means the Health Care Accountability Policy as defined in Section 10(b) and set forth in Attachment 13.

HOA means homeowners association and is defined in Section 9.03(f)(i).

Holder is defined in Section 7.02.

Implementation Agreement means the Transbay Redevelopment Project Implementation Agreement as further defined in Recital E.

Improvements is defined in Recital P and Attachment 6, Scope of Development.

Indemnified Parties is defined in Section 3.02(a).

Indemnified Party is defined in section 3.02(a).

Lease is defined in Section 2.08.

LEP means Limited Equity Program as defined in Section 5.05(b) and Attachment 18.

Marketing Plan is defined in Section 9.03(g)(iii).

Market-Rate HOA is defined in Section 9.03(f)(i).

Market-Rate Project is defined in Recital P and Attachment 6, Scope of Development.

Master HOA is defined in Section 9.03(f)(i).

MCP means Minimum Compensation Policy as defined in Section 10(b) and set forth in Attachment 13.

MOHCD means the Mayor's Office of Housing and Community Development and is defined in Recital G.

Mortgage is defined in section 7.01.

Mortgagee is defined in Section 7.01.

Neutral Appraiser is defined in Section 4.11(b)(ii).

OCII means the Office of Community Investment and Infrastructure, which is the common name for the Successor Agency.

OCII Affordable Project is defined in Recital P and Attachment 6, Scope of Development.

Officials Records means the Office of the Recorder of the City and County of San Francisco and is defined in Recital B.

OP/DDA means this Owner Participation/Disposition and Development Agreement.

Owner Participation Rules is defined in Recital L.

Parties means the Successor Agency and the Developer.

Party Appraisers is defined in Section 4.11(b)(ii).

PCBs is defined in Section 3.02(b).

Permit Submission Condition is defined in Section 4.11(a).

Plan Amendment is defined in Recital O.

PMP means the Successor Agency's Long Range Property Management Plan and is defined in Recital R.

Policies means the MCP and HCAP and is defined in Section 10(b).

Power of Termination is defined in Section 8.03(a)(ii).

Private Parcel is defined in Recital K.

Project is defined in Recital P and further described in Attachment 6, Scope of Development.

Project Approval Documents are defined in Attachment 10, DRDAP.

Project Area is defined in Recital A and means the Transbay Redevelopment Project Area.

Project Area Declaration of Restrictions is defined in Recital D.

Public Parcel is defined in Recital K.

Purchase Price is defined in Section 1.05(a).

Redevelopment Dissolution Law means AB 26 and AB 1414, as amended from time to time, and is defined in Recital F.

Redevelopment Plan is defined in Recital B.

Redevelopment Requirements are defined in Section 4.04.

Regulatory Agency is defined in Section 4.11(a).

Release is defined in Section 3.02(d).

Resident Selection Plan is defined in Section 9.03(g)(iii).

Retail Units are as shown on Attachment 17.

RMA means the CFD Rate and Method of Apportionment as defined in Section 9.02(b)(iii) and set forth in Attachment 16.

Second Extended Closing Date is defined in Section 8.08(b)(i).

SFMTA means the San Francisco Municipal Transportation Agency and is defined in Section 9.07.

Site means the Public Parcel and the Private Parcel and is defined in Recital K.

Sold is defined in Section 5.05(b).

State means the State of California and is defined in Recital E.

Streetscape Plan means the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan and is defined in Recital P.

Successor Agency means 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.

Successor Agency Costs is defined in Section 1.05(b).

TJPA means the Transbay Joint Powers Authority and is defined in Recital E.

Temporary C of O means Temporary Certificate of Occupancy and is defined in Section 4.13(b).

Tenant is defined in Section 2.08.

Term is defined in Section 1.09(a).

Third Extended Closing Date is defined in Section 8.08(b)(i).

Title Company is defined in Section 2.03(a).

Title Policy is defined In Section 2.04(a).

Tower is defined in Attachment 6, Scope of Development

Townhomes are defined in Attachment 6, Scope of Development.

Transbay Affordable Housing Obligation is defined in Recital E.

Transfer is defined in Section 6.02.

Unit Certificate of Completion is defined in Section 4.13(b) and is substantially in the form Attachment 11-B.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Authorized by Successor Agency Resolution No. ___-2016, adopted _____, 2016.

AGENCY:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By: _____
Tiffany J. Bohee
Executive Director

DEVELOPER:

BLOCK ONE PROPERTY HOLDER, L.P., a Delaware limited partnership

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

By: _____
James B. Morales
General Counsel

MOHCD ACKNOWLEDGEMENT:

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

By: _____
Olson M. Lee
Director

Transbay Block 1 SD Conditions of Approval

As is typical, there are a few remaining design issues to be resolved in subsequent design stages, including the Design Development phase. OCII staff recommends approval of the Block 1 Schematic Design subject to the remaining design issues being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages, beginning with the Design Development phase as follows:

1. During the Design Development ("DD") phase, the Developer shall further refine the materials, colors, finishes, and architectural detailing of the podium and townhome façades and submit to OCII for its review and approval. The analysis of façade materiality in DD shall include, but not be limited to, the goal of minimizing the appearance of inelegant seams, joints and bolt attachments. The refinements in design shall serve to distinguish each of the Project's four buildings from one another through a variety of materials, textures, modularity and reflectivity. Podium materials and color shall complement the massing and minimize the appearance of a monolithic built form. Townhome materials shall complement each other, provide a cohesive expression and utilize human-scale modules. Tower panel materiality shall be studied to determine whether added texture is necessary.

2. A material and color mock-up of sufficient size to be built on the construction site during the DD phase for OCII review and approval to ensure high quality design and consistency with the Proposed Schematic Design. Mock-ups should display the proposed materials, colors, and textures of exterior walls, visible structural elements, joints, window systems (including mullions and glazing materials, louvers, doors, soffits and all visible elements) of the of the buildings comprising the proposed development for review and approval by OCII, prior to installation.

3. All building signage shall be subject to further OCII review and approval. The Developer shall submit a signage plan prior to or concurrent with the DD submittal for OCII approval.

4. The tower and podium mechanical screening and sustainable roof design for all roof areas shall be subject to further OCII review and approval. The Developer shall consider how tower screening can serve to give the appearance of tapering the building mass.

5. The width and detailed landscaping design of the sidewalks and roadway on Clementina Street shall be subject to further review and approval by OCII during DD phase to assure that it provides sufficient pedestrian access and visual linkage between adjacent blocks and is compatible with the Transbay Streetscape and Public Open Space Plan and the San Francisco Better Streets Plan, and complies with the San Francisco Public Works Code with respect to stairway or stoop encroachment into the right of way.

6. In accordance with the Proposed Schematic Design, Developer shall provide no less than 10,210 square feet of ground floor, active, neighborhood-serving retail uses on site, both easily accessible and readily identifiable to pedestrians within the project's vicinity. Non-compliance with this condition would disallow the construction of a building over the Block 1 open space parcel.

7. The retail façade and connection to the above residential units shall be subject to further OCII review and approval. The Developer will study how the projections at the retail corners will be mitigated, especially at the corner of Folsom and Main Streets where ground-floor-to-floor heights are lower due to the change in grade along Folsom. Additionally, the developer will consider bringing the retail bay at the corner out to the setback line to reduce overhang at the

corner and/or treat the underside of the projection with high-quality, lighter color materials such as wood.

8. In DD phase, Developer shall produce a loading dock management plan, with potential restriction to hours of operations.

9. In DD phase, Developer shall coordinate with City departments to determine placement of on-street yellow and white loading spaces along both Main Street and Spear Street.

10. Developer shall provide in DD submittal specifications on the installation of both visual and audible warning devices for trucks exiting the loading dock.

11. OCII, in consultation with MOHCD, must review and approve any changes to the design, including materials, of the Affordable Housing Units, and must be presented to OCII no later than 30 days before construction start. Substantial deviations from the Schematic Designs that are a result of value engineering, or that substantively alter the proposed design, must be approved by Commission.

12. OCII, in consultation with MOHCD, must review and approve the specifications for the Affordable Housing Units to ensure a consistent level of quality of materials and unit amenities with other OCII and MOHCD-funded affordable housing developments.

13. OCII, in consultation with MOHCD, must review and approve the final interior finishes of the Below Market Rate ("BMR") units in the Developer Inclusionary Project (as defined in the OP/DDA) in the Market Rate tower, and any subsequent value engineering or other modifications. Any such modification must be presented to OCII no later than 30 days before construction start.

14. OCII, in consultation with MOHCD, must review and approve the appliances and finishes for the Affordable Housing Units, which shall be consistent with current standards for new housing. While the appliances and finishes need not match or be equivalent to those in the Market Rate units, they should be new and of good quality in terms of performance, durability and appearance.

15. The project shall include the required mitigations from the "Transbay Terminal/ Caltrain Downtown Extension/Redevelopment Project FEIS/FEIR Mitigation Monitoring and Reporting Program".

16. The project shall be subject to the recommendations provided in the "Transbay Redevelopment Plan Block One Project, Eighth Addendum to the Final Archaeological Research Design and Treatment Plan for the Existing Transbay Transit Terminal and Ramp Demolition, Utility Relocation, and New Transit Center Foundation Excavation of the Transbay Redevelopment Project Area" dated March 2016.

17. The Project shall be subject to all applicable fees as required by the Transbay Redevelopment Plan, including, but not limited to, the Child Care Fee and the Transit Sustainability Fee.

18. OCII must review and approve all Project private open space to insure proper balance between BMR units and Market Rate units.

19. OCII shall approve the protocol by which the parking spaces for the OCII Affordable Project are assigned to homeowners in order to ensure an equitable process is implemented.

TISHMAN SPEYER

ATTACHMENT 4

Transbay Block 1
Professional Services

May 10, 2016

Discipline	Consultant	FEES	SBE Credit*	SBE Participation	SF-SBE	*For Information Purposes Only* MBE	M/WBE	WBE	Ethnicity**
Lead Architect	Studio Gang	$ 1,680,800	$ 1,680,800	$ -	$ -				
Associate Architect	Perry Architects	$ 692,000	$ 692,000	$ 692,000	$ 692,000				
Associate Architect	Barcelon Jang	$ 597,000	$ 597,000	$ 597,000	$ 597,000		$ 597,000		Asian/PI
Lead Structural Engineering	MKA	$ 366,561	$ 366,561	$ -	$ -				
Associate Structural Engineering	Bello & Associates	$ 197,379	$ 197,379	$ 197,379	$ 197,379		$ 197,379		Asian/PI
Acoustical Consultant	Papadimos Group	$ 70,200	$ 70,200	$ 70,200	$ 70,200				
ADA/Accessibility	Zachary Nathan Architect	$ 12,000	$ 12,000	$ 12,000	$ 12,000				
Archeologist	ESA Cultural Resources	$ 65,858	$ -	$ -	$ -				
Civil Engineer	UDCE	$ 112,446	$ 112,446	$ 112,446	$ 112,446	$ 112,446			Asian/PI
Civil Surveyor	Martin Ron Asociates	$ 26,000	$ 26,000	$ 26,000	$ 26,000				
Environmental/Soils Consultant	Ramball/Environ	$ 24,838	$ -	$ -	$ -				
Exterior Cladding Design	Heintges	$ 102,223	$ -	$ -	$ -				
Fire/Life Safety Code Consultant	The Fire Consultants	$ 64,568	$ 64,568	$ 64,568	$ -				
Geotechnical Engineering	Rollo and Ridley	$ 150,532	$ 150,532	$ 150,532	$ 150,532				
Graphics/Signage/Wayfinding	TBD/Pending (1)	$ 40,603	$ 40,603	$ 40,603	$ 40,603				
Landscape Architect	Interstice Architects	$ 205,100	$ 205,100	$ 205,100	$ 205,100			$ 205,100	
LEED/Façade Energy/Title 24	Thorton Tomasetti	$ 92,352	$ -	$ -	$ -				
Lighting Design	Pritchard Peck	$ 45,160	$ 45,160	$ 45,160	$ 45,160			$ 45,160	
Parking Consultant	Watry	$ 45,160	$ -	$ -	$ -				
Permit Processing	Bruce Baumann	$ 112,899	$ -	$ -	$ -				
Shoring Engineering	Tuan and Robinson	$ 51,112	$ 51,112	$ 51,112	$ 51,112	$ 51,112			Asian/PI
SBE Consultant	Monica Wilson	$ 30,000	$ 30,000	$ 30,000	$ 30,000		$ 30,000		Latina
Waterproofing & Roofing	SGH	$ 94,083	$ -	$ -	$ -				
Window Washing	C.S. Caulkins	$ 45,160	$ 45,160	$ 45,160	$ -				
Trash Consultant	American Trash Management	$ 8,279	$ -	$ -	$ -				
Vertical Transportation	Edgett Williams	$ 43,519	$ 43,519	$ 43,519	$ -				
Printing/Reprographics	TBD/Pending (1)	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000			SE Asian
LEED Enhanced Commissioning	Environmental Building Strategies	$ 35,000	$ 35,000	$ 35,000	$ 35,000				
	TOTAL	**$ 5,060,832**	**$ 4,424,537**	**$ 2,377,176**	**$ 2,223,929**	**$ 163,558**	**$ 824,379**	**$ 250,260**	
	% of TOTAL FEES		**87.4%**	**47.0%**	**43.9%**	**3.2%**	**16.3%**	**4.9%**	

Notes:

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

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

(1) Consultants pending. These fees are not included in the SBE figures and percentages.

Attachment 5

Transbay Block 1 SBE Consultant Biographies

The following are biographies of SBE consultants holding the ten largest contracts by dollar value. Please refer to Attachment 4 for contract values.

Barcelon & Jang

Barcelon & Jang Architects was established in San Francisco in 1976 specializing in academic/community facilities, supportive housing, and museum /gallery architecture. The firm is engaged in all aspects of the design process including master planning, project feasibility, historic building renovations, construction administration, new construction, and building rehabilitation. Projects include the Chinese Historical Society of America Museum, and the San Francisco Tenderloin Community School and Child Development Center.

Bello & Associates

Bello & Associates Structural Engineers is a San Francisco firm founded in 1993 and provides structural engineering services with an emphasis on seismic design and analyses. The firm has designed many structures in the City for both public and private clients, including several buildings in Mission Bay.

Interstice Architects

INTERSTICE Architects was founded in 2000 in San Francisco and is a multidisciplinary firm of architects, landscape architects, urban designers and visual artists. Landscape projects include Bayview Hill Gardens Landscape, and Sunset Parklet (a public parklet on Judah Street, San Francisco).

Papadimos Group

The Papadimos Group was established in San Francisco in 2005 and provides a team of specialized consultants with engineering and architectural backgrounds, delivering high-quality acoustic and vibration consulting services. Recent local projects include 201 Folsom (LUMINA), Grand Hyatt Regency at Union Square, and UCSF Medical Center at Mission Bay.

Perry Architects

Perry Architects was established in 2014 by Steve Perry, a principal at Brand + Allen Architects for more than 20 years, and provides design services in Architecture, Planning and Design, with a focus on residential and affordable housing. The firm is located at the waterfront on Pier 28 in San Francisco.

Pritchard Peck Lighting

Pritchard Peck Lighting was established in San Francisco in 2011 by Jody Pritchard and Kristin Peck with the intent on building a team of talented professionals who seek to elevate the practice and deliver a fresh and accessible perspective on lighting design. Both women provide a creative approach to problem

solving with a strong aptitude for technology. Their San Francisco portfolio include Transbay Block 9, 160 Folsom, Pinterest, and ACT Strand Theater.

Rollo and Ridley

Rollo and Ridley, Inc. was established in 2008 in San Francisco and performs geotechnical and earthquake consulting services to both public and private clients.

The Fire Consultants

The Fire Consultants was established in 2006 in Walnut Creek and is an engineering and consulting firm whose focus is to help designers, authorities and property owners address fire protection, Building Code, and Fire Code issues in the built environment.

Tuan and Robinson

Tuan and Robinson, Structural Engineers, Inc. was founded in 1999 in San Francisco to provide structural engineering consulting services to the architectural, contracting, and development communities. Projects have ranged from minor residential additions to the seismic retrofit of a seventeen story high-rise office tower in downtown San Francisco.

Urban Design Consulting Engineers (UDCE)

Urban Design Consulting Engineers was established in 2005 with offices in San Francisco and Oakland, and provides civil engineering services for utility, streetscape, site development, joint trench, and stormwater needs. Projects include site development for 1180 Fourth Street, joint trench for Hunter's View Phase 2, and stormwater services for Doyle Drive Replacement.