REQUEST FOR PROPOSALS

Issued by:
Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

20 November 2013

Deadline for Submission:
February 26, 2014

Contact:
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BLOCK 8
REQUEST FOR PROPOSALS

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SECTION 1
SUMMARY OF OFFERING
The Office of Community Investment and Infrastructure (“OCI”), as the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (“Successor Agency”), is seeking proposals from qualified development teams to design and develop a high-density residential project with ground-floor retail on Block 8 in the Transbay Redevelopment Project Area (“Project Area”), located in the Transbay/Rincon Hill neighborhood, immediately adjacent to the Downtown Financial District and close to the Ferry Building, Yerba Buena Gardens, AT&T Ballpark and Mission Bay. The Folsom Street Off-Ramp, which cuts through the northeast portion of Block 8, will be realigned in advance of the sale of the parcel to the selected development team to increase the size of the development parcel and improve pedestrian circulation on Folsom and Fremont Streets. The development program for Block 8 consists of: (1) a 550-foot residential tower, (2) a residential townhouse development fronting a new extension of Clementina Street, (3) two 65-foot to 85-foot podium buildings, and (4) adjacent streetscape improvements (“Project”).

**At least 27 percent of the units in the Project must be affordable to qualifying households.**

As described below, the Transbay Project Area is subject to an enforceable obligation requiring the development of a significant percentage of affordable housing. For this Project, OCI proposes that up to 17 percent of the total number of units must be rental housing affordable to households earning no more than 50 percent of the Area Median Income (“AMI”), as published by the Mayor’s Office of Housing and Community Development (“MOHCD”); these units will be eligible for a maximum subsidy of $200,000 per unit from OCI. At least 10 percent of the total number of units must be affordable to qualifying households pursuant to the criteria set forth in Section 4.D of this RFP and must be built entirely by the development team with no subsidy from OCI or MOHCD.

OCI is seeking proposals that meet the specific unit mix and financing criteria outlined in this Request for Proposals (“RFP”), but also those that maximize financial feasibility and economies of scale, and minimize OCI’s subsidy per unit. Proposals maximizing the height of all of the buildings, and thereby the total number of units, will be considered more favorably. In reviewing and approving the OCI-subsidized affordable housing component of the development, OCI will apply the MOHCD Underwriting Guidelines, and other policies related to the development and financing of affordable housing as detailed in Section 4.E.
SUMMARY OF OFFERING

THE SITE

The Site is located in San Francisco’s Transbay/Rincon Hill neighborhood, adjacent to the Financial District, with excellent views of San Francisco, the Bay, and the Bay Bridge, and just two blocks south of the future site of the new Transbay Transit Center, scheduled for completion in 2017. The Site is a 42,625-square-foot parcel on Folsom Street between First and Fremont Streets.

ABOUT THE ROLES OF CITY AND SUCCESSOR AGENCY

Block 8 is part of a 40-acre redevelopment district at the foot of Rincon Hill that was administered by the former San Francisco Redevelopment Agency (the “Former Agency”). On February 1, 2012, California law dissolved redevelopment agencies throughout the state, but provided that successor agencies could continue to implement “enforceable obligations” previously held by the Former Agency. OCII, its Oversight Board, and the California Department of Finance (“DOF”) have determined that the Transbay Project Area is subject to several enforceable obligations that, among other things, require OCII to acquire and dispose of certain formerly state-owned parcels, pledge property tax revenues for the Transbay Transit Center and public infrastructure, and facilitate the development of affordable housing within the Project Area. On April 15, 2013, DOF issued a Final and Conclusive Determination that the Transbay Tax Increment Allocation and Sales Proceed Pledge Agreement, the Implementation Agreement, and the Affordable Housing Program under Calif. Public Resources Code § 5027.1 are enforceable obligations and do not require further review by DOF, available at www.dof.ca.gov/redevelopment/final_and_conclusive/Final_and_Conclusive_Letters/documents/San_Francisco_F&C_EO_Items_102_105_&_237.pdf.

The Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”) and related documents continue to govern the development of the Project Area. OCII will select the development team and issue all project approvals for Block 8. Pursuant to Section 4.7.2 of the Redevelopment Plan, the Board of Supervisors shall have final approval over the transfer of Block 8. The Redevelopment Plan remains in effect until 2035.
The composition of the development team could include: (1) a for-profit developer (the “Lead” or “Market-Rate” Developer) to develop the Tower and Townhouse parcels, (2) a non-profit affordable housing developer (“Affordable Developer”) to develop the OCII Subsidized Affordable Housing Project, (3) a lead architect to design the residential tower and townhouses, and to coordinate the master planning for the entire Project, (4) another architect for the low-and mid-rise buildings, and (5) a landscape architect to design the open spaces that will be part of the project. OCII’s evaluation of the development team will include a review of the team’s current or future inclusion of economically disadvantaged businesses in compliance with OCII’s Small Business Enterprise Policy.

Proposals must include a purchase price, which the Lead Developer will deposit into a trust account established by the Transbay Joint Powers Authority, the public agency responsible for the construction of the new Transbay Transit Center. Additionally, each development team will need to demonstrate its ability to successfully finance, construct, and operate the Project, and its capacity to initiate development consistent with the schedule contained in this Request for Proposals (“RFP”) and, for the OCII subsidized affordable housing, consistent with the MOHCD Underwriting Guidelines.

Proposals must assume the cost of the proposed Community Facilities, Community Benefits, and Combined Heat and Power Districts described in Section 4.F.

Interested development teams must submit qualifications, a design concept, a financial proposal, and a refundable Offer to Negotiate Deposit of $10,000. An evaluation panel led by OCII staff will evaluate the proposals based on the Selection Criteria contained in this RFP and will recommend a development team for review and consideration by the OCII Executive Director and the Commission on Community Investment and Infrastructure (“Commission”), which will make the final decision regarding the selection of a development team.
EXCLUSIVE NEGOTIATIONS

OCII, in consultation with MOHCD, will work with the selected development team to prepare an Exclusive Negotiations Agreement (the “ENA”). The selected development team should assume that a non-refundable deposit of $500,000 (the “ENA Deposit”) will be payable within 30 days after the execution of the ENA. The ENA Deposit will not be credited against the purchase price.

DISPOSITION AND DEVELOPMENT AGREEMENT AND AIR RIGHTS LEASE

During the exclusive negotiations period, OCII and the selected development team will negotiate the terms of a Disposition and Development Agreement (the “DDA”) between OCII and the Lead Developer. In addition to provisions related to development team responsibilities, payment of the purchase price for the land, closing conditions, development standards and requirements, and performance benchmarks and schedules, the DDA will require: 1) payment of a third deposit of $2,000,000 (the “DDA Deposit”) that will be credited against the purchase price; 2) a construction commencement provision that will require the development team to pay the estimated property tax increment that would otherwise be due should construction not commence or be completed within certain timeframes; 3) payment of the remainder of the purchase price at the transfer of title; 4) OCII’s oversight of the Project; and 5) an Air Rights lease with OCII required for the OCII-Subsidized Affordable Housing Project to the Affordable Developer (“Air Rights Lease”) transferring to MOHCD after the Affordable Project is completed.
A pre-submittal meeting will be held at 1 South Van Ness Avenue in San Francisco on the second floor, at 10:00 a.m. on Monday, December 9, 2013.

Proposals are due on Wednesday, February 26, 2014 at 3:00 p.m. to the Office of Community Investment and Infrastructure, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103.

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SECTION 2

BACKGROUND

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BACKGROUND

Block 8 is part of the Transbay Redevelopment Project Area ("Project Area"), a 40-acre redevelopment district at the foot of Rincon Hill which includes the Transbay Transit Center ("TTC," under construction) and approximately 10 acres of vacant public land. The Project Area, as depicted in Figure 1, was established in June 2005 with the adoption of the Redevelopment Plan for the Transbay Redevelopment Project Area ("Redevelopment Plan") by the City and County of San Francisco ("City"). The Redevelopment Plan expires in 2035.

A. THE TRANSBAY REDEVELOPMENT PROJECT AREA

The Transbay Redevelopment Plan divides the Project Area into Zone One and Zone Two. Zone One consists of approximately 10 acres of property that were formerly occupied by portions of the Embarcadero Freeway, that will be developed into a vibrant downtown neighborhood. When completed, this neighborhood will consist of new office space north of Howard Street, thousands of new housing units south of Howard Street, and new neighborhood retail space concentrated on Folsom Street. The Plan provides for a host of public improvements throughout the Project Area including widened sidewalks on Folsom, Main, Beale, and Spear Streets, a 1.1-acre public park just north of Folsom Street between Main and Beale Streets, and new public open spaces on Essex Street and under the bus and freeway ramps, as further described in Section 2.F. Under the Redevelopment Plan, the Former Agency, and now the Successor Agency, is responsible for facilitating development within Zone One of the Project Area.

Zone Two of the Plan Area is primarily under the City’s jurisdiction through its Planning Department. On July 31, 2012, the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") approved the Transit Center District Plan ("TCDP"), which imposes a zoning overlay in Zone Two as well as other areas surrounding the site of the new Transbay Transit Center. The TCDP, which will not affect Block 8 or any of the other development blocks in Zone One, increases height limits in the district and calls for streetscape changes consistent with the Transbay Streetscape and Open Space Plan. More information about the TCDP can be found on the Planning Department’s website: transitcenter.sfplanning.org.
Figure 1
Transbay Redevelopment Project Area Boundary and Zoning

Land Use Zones

ZONE 1: Transbay Downtown Residential
ZONE 2: Transbay C-3
Project Area Boundary
Development on State-owned Properties

Parcel T: Transit Tower Office Building
Hines/Boston Properties
1.4 Million SF of office and retail

Blocks: 6/7 Mixed Income Housing
Golub Corporation/Mercy Housing California
409 market rate and 147 affordable units
(Disposition and Development Agreement between OCI and the Developer entered into in April 2013)

Block 9: Mixed Income Housing
Avant Housing/BRIDGE Housing
456 market rate and 114 affordable units
(Exclusive Negotiations Agreement between OCI and the Developer entered into in July 2013)

Block 11: Rene Cazenave Affordable Housing
BRIDGE Housing/Community Housing Partnership
120 supportive housing units

Open Space
Under-ramp Park
2.5 Acres
(Block 10 & under off-ramps)

Rooftop Park
5.4 Acres
(Atop Transbay Transit Center)

Transbay Park
1.1 Acres
(Block 3)

UPCOMING RFPS
BLOCK 5  2014
PARCEL F  2015
BLOCK 4  2016
BLOCK 2  2016
BLOCK 12  2020
Redevelopment Dissolution Law does not affect the land use or financial goals of this RFP. The Redevelopment Plan, and related documents, continue to govern the zoning and development for the Project.

B. REDEVELOPMENT AGENCY BACKGROUND

On June 28, 2011, the Governor of the State of California (“State”) approved two bills, State Assembly Bill AB 26 (“AB26”) and State Assembly Bill AB 27 (“AB 27”), which amended the California Community Redevelopment Law (“CRL”). AB 26 was the “dissolution” bill, which set November 1, 2011 as the date to dissolve all redevelopment agencies throughout the State. The companion legislation AB 27, the “reinstatement” bill, allowed cities to keep their agencies in place by committing to substantial “community remittances” to be paid to the State.

AB 26 put the Agency into a state of suspension under which no new contracts, obligations or redevelopment plans could be approved. In July 2011, a lawsuit was filed challenging the constitutionality of both AB 26 and AB 27. The Supreme Court accepted the case and issued a “stay” under which agencies remained in place but in a suspended state pending a decision by the court.

On December 29, 2011, the California Supreme Court issued its decision: it upheld AB 26, which eliminates redevelopment agencies, but struck down AB 27, which would have allowed redevelopment agencies to continue under certain conditions. As a result, the Redevelopment Agency of the City and County of San Francisco (“Former Agency”) was dissolved as of February 1, 2012. AB 26 provides that a successor agency to the Former Agency could continue to implement “enforceable obligations” which were in place prior to the suspension—existing contracts, pledge agreements, bonds, leases, etc. On June 27, 2012, the State Governor signed AB 1484, which amended AB 26 by establishing, among other things, that “a successor agency is a separate public entity from the public agency that provides for its governance.” Cal. Health & Safety Code § 34173 (g). (Together, AB 26 and AB 1484 are referred to as the “Redevelopment Dissolution Law”).

In light of pre-existing enforceable obligations the Redevelopment Dissolution Law does not affect the land use, property disposition, or financial goals of this RFP. The Redevelopment Plan, and related documents, continue to govern the zoning and development for the Project. Significantly, the Project Area is subject to several enforceable obligations that, among other things, require OCI to acquire and dispose of certain formerly state-owned parcels, pledge
property tax revenues for the Transbay Transit Center and public infrastructure, and require the development of affordable housing within the Project Area. On April 15, 2013, DOF issued a Final and Conclusive Determination that the Transbay Tax Increment Allocation and Sales Proceed Pledge Agreement, the Implementation Agreement, and the Affordable Housing Program under Cal. Public Resources Code § 5027.1 are enforceable obligations and do not require further review by DOF, available at www.dof.ca.gov/redevelopment/ final_and_conclusive/Final_and_Conclusive_Letters/documents/San_Francisco_F&C_ EO_Items_102_105_&_237.pdf. In light of these enforceable obligations, the financial goals to maximize proceeds for the Transbay Transit Center and to provide funding for the public infrastructure and affordable housing continue to govern the Project.

In December 2012, the Mayor appointed, under Ordinance No. 215-12, the Commission on Community Investment and Infrastructure (“Commission”) to fulfill the Successor Agency’s enforceable obligations, which require, among other things, the disposition of property and the exercise of land use, development and design approval authority for Zone 1 of the Project Area. As a successor agency, OCII is also subject to the jurisdiction of the Oversight Board of the City and County of San Francisco, which is composed of seven members, a majority of whom are appointed by the Mayor. Cal. Health & Safety Code § 34179 (a) (10). The Oversight Board’s jurisdiction is defined by Redevelopment Dissolution Law and includes certain fiscal management of the Former Agency. The Oversight Board owes a fiduciary duty to the holders of enforceable obligations with the Former Agency and to the taxing entities that are entitled to an allocation of property taxes.

C. TRANSBAY ENFORCEABLE OBLIGATIONS

AB 26 and AB 1484 were aimed at redirecting net property tax increment from redevelopment agencies to other public agencies and did not affect the land use regulations applicable to redevelopment projects; the zoning for the Project continues to be governed by the Transbay Redevelopment Plan and administered by OCII and the Commission. AB 26 and AB 1484 similarly did not affect the ability of the Successor Agency to receive the tax increment revenue pledged for the Transbay Redevelopment Project. As explained below, the Transbay Redevelopment Plan will proceed on schedule with all its components fully intact, virtually unaffected by AB 26.
The Transbay Project Area is subject to a number of existing, interrelated agreements, including: (1) the Cooperative Agreement among the Transbay Joint Powers Authority (“TJPA”), the City, and the State Department of Transportation (“Caltrans”), dated as of July 11, 2003 (“Cooperative Agreement”), which establishes the State’s obligation to transfer Block 8 and other State-Owned Parcels (as defined in the Cooperative Agreement), (2) the Implementation Agreement between TJPA and the Successor Agency, dated as of January 20, 2005 (“Implementation Agreement”), which requires the Successor Agency to prepare and sell the State-Owned Parcels to third parties, to deposit the sale proceeds into a trust account to help the TJPA pay the cost of constructing the Transbay Project, and to execute all other activities related to the implementation of the Redevelopment Plan, including constructing affordable housing, new public parks, new pedestrian-oriented alleys, widened sidewalks and other infrastructure, (3) the Tax Increment Allocation and Sales Proceeds Pledge Agreement between the TJPA, the City, and the Successor Agency, dated as of January of 2008 (“Pledge Agreement”), which commits the tax increment from the State-Owned Parcels for use in funding the Transbay Project. The Transbay Project also has the obligation imposed by Assembly Bill 812 (“AB 812”) to ensure that 35 percent of all housing produced in the Project Area is affordable to low or moderate income households. Cal. Public Resource Code § 5027.1. Based on these agreements, in 2010, the TJPA entered into a Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Loan Agreement with the United States Department of Transportation. The TIFIA loan is a necessary part of the funding package for the TTC. On April 15, 2013, the California Department of Finance (“DOF”) determined “finally and conclusively” that the Implementation Agreement, the Pledge Agreement and AB 812 are “enforceable obligations” under Redevelopment Dissolution Law and do not require further review by DOF. Thus, the land use and financial goals of the former San Francisco Redevelopment Agency (“Former Agency”), the TJPA, and the City, remain intact in their entirety notwithstanding AB26.

Per the Redevelopment Plan and the Pledge Agreement, land sale and tax increment revenue generated by the State-Owned Parcels (including Block 8) have been pledged to the TJPA to help pay the cost of the new Transbay Transit Center, which is currently under construction. The State-Owned Parcels consist of Blocks 2 through 9, 11 and 12 in Zone One of the Transbay Redevelopment Plan, and several parcels in Zone Two.
D. THE DEVELOPMENT SITE

As shown in Figures 2 and 3, Block 8 is a 42,625-square-foot parcel situated on Folsom Street between First and Fremont Streets. It will be assembled from Lots 005, 012, and 027 of Assessor's Block 3737, currently owned by the State, and a portion of the State's operating right of way. Block 8 will be transferred in 2014 from the State to the City pursuant to the Cooperative Agreement. The Cooperative Agreement, which was executed in 2003, sets forth the process for the transfer of 13 State-Owned parcels, including Block 8, to the City and 12 State-Owned parcels to the TJPA. To implement the Transbay Redevelopment Plan, the City and the TJPA granted the Former Agency an option to acquire Block 8 from the City to market the development opportunity and transfer title to the developer, and that option is now held by OCI.

OCI staff is currently working with the San Francisco County Transportation Authority ("SFCTA") and Caltrans to construct a new alignment for the Folsom Fremont off-ramp, as detailed in section 3.D of this RFP.

E. THE EXISTING NEIGHBORHOOD

Block 8 is located in the Transbay/Rincon Hill neighborhood of San Francisco, immediately adjacent to the Downtown Financial District and close to the Ferry Building, Yerba Buena Gardens, AT&T Ballpark and Mission Bay. The neighborhood is rapidly emerging as San Francisco's premier high-rise residential location. Several successful, new high-rise residential developments have been completed in the immediate vicinity, including The Infinity at 300 Spear Street, One Rincon Hill at Harrison and First Streets, and Millenium Tower at 301 Mission Street. Construction has begun on the new Transbay Transit Center, designed by world-class architects Pelli Clarke Pelli, at the site of the former Transbay Terminal just 2 blocks north of Block 8. The Site is ½ mile south of Market Street, putting it within easy walking distance of the entire downtown Financial District, including Embarcadero Center and the Ferry Building, and major transportation facilities, including BART, AC Transit, SamTrans, Muni Metro, and the new Transbay Transit Center (which will feature an extension of Caltrain commuter rail and will be the Northern California terminus for California High Speed Rail). The Site is also ¾ miles...
The Concept Plan includes recommended landscaping, sidewalk paving, tree types, street furniture, and lighting, for each street. It also delineates the purpose of each public right-of-way and links the Transbay neighborhood to the adjacent Rincon Hill neighborhood.

F. PUBLIC IMPROVEMENTS

In 2006, the Former Agency and San Francisco Planning Department ("Planning"), in collaboration with City entities, commissioned the production of the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan ("Streetscape Plan"). The Streetscape Plan, prepared by a team of consultants addresses the public realm within the Project Area. The Concept Plan includes design elements related to the ten major streets and six public alleyways within the Project Area, as well as neighborhood parks and areas below bus and freeway ramps. The Concept Plan includes recommended landscaping, sidewalk paving, tree types, street furniture, and lighting, for each street. It also delineates the purpose of each public right-of-way and links the Transbay neighborhood to the adjacent Rincon Hill neighborhood. In July 2011, the Former Agency hired CMG Landscape Architecture and ARUP to prepare schematic designs through construction documents for the improvements to Folsom Street. CMG and ARUP were also charged with developing conceptual designs for the area along Essex Street, under the TJPA bus ramp, under the Caltrans Fremont-Folsom I-80 off-ramp, and on undevelopable adjacent publicly owned land. The team, through a comprehensive public process, has developed a conceptual design plan which was approved by the Commission in June 2013. The plan involves utilizing the entire area under the off-ramp and along Clementina Alley for a child’s play area, a planted meandering garden doubling as a stormwater treatment area, a beer garden, and a number of smaller recreational uses. This park will transform this area from an under-utilized part of the Redevelopment Plan Area, into a premier neighborhood amenity. The latest documents describing the park can be found at www.sfredevelopment.org/index.aspx?page=54.
G. ENTITLEMENTS AND USE RESTRICTIONS

The entitlements and use restrictions for Block 8 are determined by the following documents: (1) the Redevelopment Plan; (2) the Development Controls and Design Guidelines for the Transbay Redevelopment Project Area (“Development Controls”); (3) the Streetscape Plan; and (4) the Final Environmental Impact Statement/Environmental Impact Report (“Final EIS/EIR”) for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project. All of these documents can be downloaded from OCII’s website: http://www.sfredevelopment.org.

1. Redevelopment Plan: The Redevelopment Plan, as approved by the Board of Supervisors in 2005, establishes the goals, objectives, and basic land use standards for the Project Area. It also grants the Agency jurisdiction over all land use and design approvals within Zone One. OCII, as successor to the former Agency, now is responsible for the land use and design approvals within Zone One. The Redevelopment Plan requires that all real property sold or conveyed by the Agency in the Project Area be subject to Disposition and Development Agreements (“DDAs”) to ensure that the provisions of the Redevelopment Plan will be carried out and to prevent the recurrence of blight, which obligation is now held by OCII. Pursuant to Section 4.7.2 of the Redevelopment Plan, the Board of Supervisors shall approve the sale or lease of any property acquired by the Successor Agency through the Option Agreement to ensure that the Agency receives fair market or fair reuse value. Once a proposal to acquire and develop Block 8 is approved by the OCII pursuant to the process described in this RFP, OCII and the developer will negotiate the terms and enter into a DDA containing detailed terms to ensure that Block 8 is developed in accordance with the Redevelopment Plan.

3. Development Controls: The Development Controls, a companion document to the Redevelopment Plan, provides legislated development requirements and specific design recommendations for all development within the Project Area based on the conceptual frameworks contained in the 2003 Transbay Redevelopment Project Area Design for Development (the “Design for Development”). Land uses and development in Zone One are controlled by the Redevelopment Plan and the Development Controls. The specific application of the Development Controls to Block 8 is further discussed in Section 3 of this RFP. The Project will require additional discretionary approval by OCII for the design.
Per AB 812, codified in Section 5027.1 of the California Public Resources Code, 35% of all the housing units built in the Project Area must be affordable to persons and families of very low-, low- or moderate-income.

4. **Streetscape Plan:** The Streetscape Plan, another companion document to the Redevelopment Plan, builds on the streetscape and open space concepts in the Design for Development, and complements the urban design and zoning elements in the Development Controls.

5. **EIS/EIR:** A Final EIS/EIR for the Transbay Redevelopment Plan was certified in 2004, and can be found at [http://www.transbaycenter.org/tjpa/documents/final-eiseir](http://www.transbaycenter.org/tjpa/documents/final-eiseir). The maximum development potential considered for Block 8 in the Final EIS/EIR is 1,068,210 gross square feet of residential and 38,690 gross square feet of retail. The maximum development levels allowed by the Development Controls, which are approximately 806,850 gross square feet of residential and 10,000 gross square feet of retail, fall well within the development levels analyzed in the EIS/EIR. Per the requirements of page 5-18 of the EIS/EIR and page 46 of the Development Controls, a project-specific wind study will still be required. More detailed information on project-specific impacts related to vehicle ingress and egress and pedestrian and bicycle safety will also be required. A shadow study and architectural mitigation monitoring report may also be required. Any relevant mitigations from the Final EIS/EIR, the associated Mitigation Monitoring and Reporting Program, and any project specific studies will be incorporated into the DDA approvals.

**H. PROJECT AREA AFFORDABLE HOUSING REQUIREMENT**

Per AB 812, codified in Section 5027.1 of the California Public Resources Code, 35% of all the housing units built in the Project Area must be affordable to persons and families of very low-, low- or moderate-income. These requirements and their application to Block 8 are further discussed in Sections 4.D and 4.E of this RFP.
SECTION 3

DEVELOPMENT OPPORTUNITY

A. Zone One Development Concept  3.1
B. Development Envelope  3.2
C. Development Program  3.5
D. Folsom/Fremont Off-ramp Reconfiguration  3.7
A. ZONE ONE DEVELOPMENT CONCEPT

The overall urban design concept in Zone One is to allow no more than one high-rise residential tower per development block complemented by podium, mid-rise and townhouse residential development on the remainder of each block, as illustrated in Figure 4. New alleys are to be created to provide access to and around the development blocks. Along most of the frontages on public rights-of-way, projects are to provide residential units or retail spaces with frequent entrances oriented toward the sidewalk. A shared ground level open space area is to be created in the middle of each development block with visual connections to the street. Multiple developments within the same block must share one underground parking facility. In order to facilitate compliance with the parking and open space requirements of the Development Controls, each individual block in Zone One must be master planned and master developed. The Development Controls also require that each building on a development block be designed with individual façade characteristics that distinguish it from neighboring structures.

OCII has increased the marketability and development potential of Block 8 with the realignment of the Folsom-Fremont off-ramp. The off-ramp re-alignment will be complete by February 2015 and is described in detail in Section 3.D of this RFP.
FIGURE 2
Existing Folsom Off-Ramp Alignment
FIGURE 3:
Folsom Off-Ramp Redesign

Block 8

FOLSOM ST.

FIRST ST.

PLAZA/COMMON AREA

Existing Bridge Footing

New Retaining Wall/Barrier

4' Shoulder

12' Lane

12' Lane

12' Lane

10' Lane

10' Lane

10' Lane

6' Sidewalk

29'

14' Sidewalk

10' Sidewalk (Existing)

13' Lane

11.5' Lane

11' Lane

7' Parking Lane

11' Lane
B. DEVELOPMENT ENVELOPE

The zoning in Zone One is form-based, so there is no maximum floor area ratio or maximum density in units per acre. Maximum development levels are based on the height, bulk, and other restrictions discussed below and detailed in the Development Controls. Based on these restrictions, the Successor Agency estimates that the Project can accommodate approximately 740 residential units, including 27% of units affordable to qualified households as further described in Sections 4.D and 4.E of this RFP. The unit counts will be based on unit size, building heights and site plan configurations.

1. Setbacks
   The development of Block 8 must adhere to the setbacks illustrated in the Required Setbacks Map (Map 4) of the Development Controls. The setbacks are to be measured from the property line, and must be deducted from the dimensions shown on the Parcel Dimension Map (Map 3) of the Development Controls.

2. Building Height Ranges
   Building heights within Block 8 must conform to the Zone One Height Ranges Map (Map 5) of the Development Controls. The tower on Block 8 may be extended upward an additional 10 percent of the allowed height for non-habitable architectural elements to screen mechanical equipment and to resolve the top of the tower design. This additional height does not change the bulk controls shown in Table 2 of the Development Controls. Development teams are encouraged to maximize the height, and thereby the land value, of each building.

3. Bulk Controls
   Below 85 feet, there are no applicable controls except for the regulated setbacks described above. The floor plates of buildings above 85 feet may not exceed the maximum dimension and floor plate aspect ratios listed in Table 2 of the Development Controls.
4. **Open Space**
   As shown on Parcel Dimensions Map 3 in the Development Controls, the Project must include 3,400 square feet of shared open space. In addition to the shared open space, 16 square feet of open space per residential unit must be incorporated into the various building types. This requirement can be met through any combination of private or shared open space, including front yards, individual porches, shared rooftop gardens, shared or private podium level decks, shared solariums, or additional landscaped areas contiguous with the open space parcel. Per page 16 of the Development Controls, the Folsom Street setback area cannot be included in the private open space calculations.

5. **Parcel Dimensions and Location**
   Given the constraints imposed by the block dimensions and required setbacks, the master plan for Block 8 allows for modifications to the size and shape of the podium and townhouse parcels, subject to OCII design review and approval. Alterations to the open space parcel cannot decrease the area of usable shared open space on the block. The podium and townhouse parcels can be made shallower or deeper but cannot be relocated. No changes can be made to the location and dimension of the tower parcel.

6. **Variations**
   Variations from the Redevelopment Plan and the Development Controls are allowed only for unique physical constraints or other extraordinary circumstances applicable to the property, and must be consistent with the Redevelopment Plan, the Development Controls, and the Design for Development. No variations from the maximum height and bulk regulations, or the maximum parking allowances will be permitted.

The dimensions of the townhouse and podium parcels may be modified, subject to Agency design review and approval, as long as such modifications do not decrease the total area of the shared open space parcel. However, the dimensions of the tower parcel may not be modified.
FIGURE 4
Block 8 Development Program

Tower (450-550 ft.)
Ground Floor Retail along Folsom

Podium 1 (40 - 65 ft.)
Ground Floor Retail along Folsom

Podium 2 (50 - 85 ft.)
Ground Floor Retail along Folsom

Townhouses (35-50 ft.)

Single entry to Garage on Clementina

Open Space

Shared Underground Parking Structure

FOLSOM STREET
FREMONT STREET
CLEMENTINA STREET
FIRST STREET
C. DEVELOPMENT PROGRAM

The development program for Block 8 is described below and in Figure 4. The block must be master-planned and developed and comply with the following:

1. Tower Parcel
   a. Block 8 includes a residential tower of between 450 and 550 feet in height.
   b. The tower development must comply with the setbacks and other requirements contained in the Development Controls. The base of the tower along Folsom Street must include retail space as described in the Development Controls.
   c. The dimensions of the tower parcel may not be modified.

2. Townhouse Parcel
   a. Block 8 includes a residential townhouse development of between 35 and 50 feet in height.
   b. The townhouse development must comply with the setbacks and other requirements contained in the Development Controls. In particular, the townhouse stoop entries must run the entire length of Clementina Street, including along the base of the tower.
   c. The dimensions of the townhouse parcel are subject to the Developer’s discretion and will be subject to OCII design review and approval, as long as the total area of the shared open space parcel is not decreased.

3. Podium Buildings
   a. Block 8 includes two podium buildings: one with a height of between 40 and 65 feet and a second with a height of between 60 and 85 feet. These two buildings could form a single, stand-alone housing project with different heights corresponding to the two parcels. Alternatively, the project can be the same height on both parcels, as long as the height does not exceed 65 feet; however, proposals maximizing the total number of units will be considered more favorably to the extent that they are consistent with appropriate urban design objectives.
b. The Podium buildings must comply with the setbacks and other requirements contained in the Development Controls. In particular, the base of the podium buildings along Folsom Street must include retail space.

c. The dimensions of the podium parcels are subject to the Developer’s discretion and will be subject to OCII design review and approval, as long as the total area of the shared open space parcel is not decreased.

4. Shared Open Space

a. In the center of the block, there must be an open space parcel, which will be shared by all of the buildings on the block. The design and construction costs of the open space should be shared by the different housing types on a pro-rata basis, as further detailed in section 4.C.

b. The dimensions of the shared open space parcel may be modified, subject to OCII design review and approval, as long as such modifications do not decrease the total area of the shared open space parcel.

c. Costs associated with the ongoing maintenance of the shared open space parcel will be shared by the different housing types on a pro-rata basis, as further detailed in Section 4.C.

5. Shared Underground Parking Garage

a. To maximize efficiency and minimize curb cuts, all of the development on Block 8 will share one parking facility, which must be located entirely below street grade and have a maximum of one entrance lane and one exit lane off of Clementina Street.

b. The shared underground parking garage may be built underneath the street level open space parcel, the Folsom Street setback, and Clementina Alley, as long as adequate soil depth is provided for landscaping.
c. The maximum number of parking spaces for residential uses is one per unit. The Development Controls do not include a minimum off-street parking requirement; however, OCII requires parking at a ratio of at least one space per every four residential units for the OCII subsidized affordable housing units. Parking spaces shall be made available to renters or buyers of the Developer Funded Affordable Housing Units at the same ratio of parking spaces to residential units for the Market-Rate Project overall. For retail uses, the maximum number of parking spaces is one per 1,500 gross square feet. Bike parking and a car sharing service must be located within the garage. Additional detailed information about parking and loading requirements can be found in the Development Controls.

6. Streetscape Improvements

The development of Block 8 shall include construction of all of the streetscape improvements described in the Streetscape Plan, and further developed by CMG Landscape Architecture, including 25-foot sidewalks along Folsom Street and construction of Clementina Street. The actual cost of the streetscape improvements will be reimbursed by OCII in an amount not to exceed $2 million. The most recent Streetscape Improvement Plans can be found at www.sfredevelopment.org/index.aspx?page=49.

7. Folsom Boulevard Retail Uses

Ground-floor retail spaces are required along the Folsom Boulevard frontage and must conform to the standards and guidelines for ground-floor retail development in the Development Controls. Note that the location of the retail space shown in Figure 4 is an approximation and may be adjusted to account for building lobbies or other required features. Additionally, please note that the inclusion of retail space in the OCII Funded Affordable Project must be consistent with the Policy on the Development and Funding of Commercial Space in MOHCD Funded Housing Developments.
D. FOLSOM/FREMONT OFF-RAMP RECONFIGURATION

The Folsom Street Off-Ramp, which provides an exit from Interstate 80 to San Francisco at Folsom and Fremont Streets, cuts through the northeast portion of Block 8. OCII is working to realign the off-ramp in order to increase the size of the development parcel on Block 8 and improve pedestrian circulation on Folsom and Fremont Streets prior to the sale of Block 8 to the selected development team. OCII has contracted with the San Francisco County Transportation Authority (“SFCTA”) to construct the realigned off-ramp and most of the related pedestrian improvements. Currently, the project is designed to a 95% level of completion and planned to start construction in August 2014 and be completed in February 2015. As shown in Figure 3, the proposed realignment will convert the existing diagonal off-ramp into a straight off-ramp that ends at Fremont Street at a 90-degree angle. The new off-ramp will perform at the same level as the existing off-ramp for vehicles. The new development parcel created by the realignment must include a 15-foot maintenance easement for the California Department of Transportation (“Caltrans”) to be able to access the realigned off-ramp. The selected development team will be responsible for working with OCII and SFCTA to secure Caltrans approval for additional pedestrian improvements, as described in more detail below.

The existing Interstate 80 off-ramp splits into two different legs, directing traffic in two directions. The northbound Fremont Street leg enables vehicles to travel towards downtown San Francisco and has approximately four times the peak hour traffic as the Folsom Street leg. As shown in Attachment 21, the realigned Folsom Street off-ramp will mirror the Fremont Street leg with a touchdown at 90 degrees with the intersection and a tight inside turning radius of 30’.

When completed, the intersection will be signalized to allow pedestrians to perpendicularly cross the off-ramps on the west side of Fremont Street. The design of the new traffic signal will be prioritized for off-ramp traffic by remaining in the “green” phase, except when a pedestrian needs to cross.
1. **Clementina Street**

   The realignment of the off-ramp will provide for excess State land to be transferred to OCII for development of Block 8. The proposed Clementina Street right-of-way is not part of the off-ramp project and needs to be included in the site design of Block 8.

2. **Facing of Mechanically Stabilized Embankment (“MSE”) retaining wall**

   The off-ramps are built on earth and supported laterally with fill slopes. The slopes are to be removed and replaced with an MSE-type retaining wall. The south face of the MSE wall will function as the north facade of Clementina Street and be a visibly strong part of the streetscape. The developer may propose installation of an art project at its own expense to enhance the MSE wall with textures, patterns or similar treatment. The artist, the artwork, and a maintenance plan for the artwork, must be approved by Caltrans and OCII, including review by the Transbay Redevelopment Citizen Advisory Committee (“CAC”), after a development team has been selected.

3. **Caltrans Maintenance/Reserved Easements**

   Caltrans will require at least a 15-foot maintenance easement from the drip line of the retaining wall and barrier of the new Folsom Street Off-Ramp. For the purposes of the RFP submittal, development teams should assume that no obstructions can be placed within this maintenance easement, including structures and landscaping. After a development team is selected, OCII and the development team will work with Caltrans to determine an appropriate design for the plaza/common area that will be acceptable to Caltrans. The 15-foot maintenance easement applies only to above-ground structures and improvements, so the underground parking garage for the Project can be constructed under the new Clementina Street and within the Caltrans maintenance easement as long as it does not restrict Caltrans access to the off-ramp within the 15-foot easement area. Caltrans will reserve maintenance and access easements over Clementina Street when the excess lands are transferred. The current design shows drainage system piping for waters that originate on Caltrans property that are underneath and cross under Clementina Street. The drainage systems...
help relieve water pressure in the embankment under the ramp and actively transport it to the City collection system. Minor retaining wall weepage is also included in the design of the MSE wall that will affect the immediate area surrounding the weep holes. There will be periodic inspection of wires included in the MSE retaining wall requiring access by Caltrans personnel to monitor the longevity of MSE wall steel reinforcement.

4. Additional Pedestrian Improvements

OCII and SFCTA are proposing additional pedestrian improvements related to the realigned off-ramp, which will require separate approval by Caltrans. The selected development team will be required to fund the design, public review process and construction of these additional pedestrian improvements, at a total estimated cost of $200,000.

5. Off-Ramp Realignment Schedule

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain Encroachment permit</td>
<td>April 2014</td>
</tr>
<tr>
<td>Authorize construction costs and soft costs</td>
<td>June 2014</td>
</tr>
<tr>
<td>Begin construction</td>
<td>August 2014</td>
</tr>
<tr>
<td>End construction</td>
<td>February 2015</td>
</tr>
</tbody>
</table>
SECTION 4

TRANSACTION REQUIREMENTS AND ASSUMPTIONS

A. Development Team 4.1
B. Ownership Structure 4.1
C. Project Requirements and Assumptions 4.2
D. Developer Funded Affordable Housing Units 4.3
E. OCII Funded Affordable Housing Units 4.6
F. Proposed Districts 4.9
G. Sustainable Design 4.11
H. Business and Community Earthquake Resilience 4.12
TRANSACTION REQUIREMENTS AND ASSUMPTIONS

A. DEVELOPMENT TEAM

OCII anticipates that developers will form teams that include: (1) a for-profit developer (“Lead Developer”) to serve as the project lead and develop the Market-Rate Project; (2) a non-profit affordable housing developer (“Affordable Developer”) to develop the OCII Funded Affordable Housing; (3) a lead architect to design the residential tower and townhouses and coordinate the master planning of the entire project; (4) an architect for the podium building(s), to be subcontracted to the lead architect; and, (5) a landscape architect to design the shared open space, streetscape improvements and other landscape improvements. OCII’s evaluation of the development team will include a review of the team’s inclusion of economically disadvantaged businesses in compliance with OCII’s Small Business Enterprise Policy (“SBE Policy”)

The selected Development Team will be required to comply with the SBE Policy when assembling the full team of Professional Services Consultants. To achieve economies of scale, OCII expects that the entire project will be constructed by a single general contractor, to be managed by the Lead Developer.

B. OWNERSHIP STRUCTURE

The entire Block 8 parcel will be sold to the Lead Developer to facilitate the construction of the shared underground parking garage. The Lead Developer will then give the air rights parcels (above the shared underground parking garage) associated with the OCII Funded Affordable Housing to OCII. OCII, as landlord, will in turn enter into a long term “Air Rights Lease” with the Affordable Developer, or affiliate entity, who, as the tenant, will own and operate the Affordable Project. Once the Affordable Project is completed, OCII will transfer the Air Rights Lease to MOHCD for long-term ownership and asset management. A development team consisting of a Lead Developer and an Affordable Developer may propose alternative methods of constructing the project, such as construction of the entire project by the Lead developer, as long as the Affordable Developer maintains control of the Affordable Project upon completion of construction.

In responding to this RFP, an Affordable Developer may partner with more than one Lead developer. A Lead Developer may not prevent an Affordable Developer from participating on multiple development teams.
C. PROJECT REQUIREMENTS AND ASSUMPTIONS

1. Underground Parking Garage

The parking for the Project must be built entirely underground with a maximum of one parking space per unit. The shared underground parking garage must include parking (if any) for the market-rate and affordable units. The cost for designing, constructing and operating the structure shall be shared proportionally by the different unit types, based on the number of parking spaces assigned to each. In addition at least four publicly accessible car share spaces must be included in the garage; the cost of constructing these spaces must be allocated to the Market-Rate Project.

Parking for the OCII funded affordable housing units must be provided at a ratio of not less than .25 spaces per unit (1:4). Due to legal constraints associated with funding sources such as tax credit equity, development teams should assume that the parking spaces associated with the OCII funded affordable housing units will be allocated based on a lottery and provided at no extra charge to the tenant. In the event the parking garage for the entire project changes ownership, the number of parking spaces for the OCII funded affordable housing units shall not be affected and shall remain available at no charge to residents of these affordable housing units.

2. Streetscape Improvements

Design and construction of the streetscape improvements must be considered part of the Market-Rate Project and included in the Market-Rate pro-forma(s); however, OCII will reimburse the selected development team for all such costs upon completion of the improvements. Because Clementina Alley will likely be a private street, the cost of maintaining the roadway should be included in the pro-forma for the Market-Rate Project. The pro-formas for each project component should also assume a contribution for the maintenance of the balance of the streetscape improvements based on the pro-rata share of the residential square footage as a percentage of the residential square footage of the entire project. (Residential square footage excludes commercial space and the parking garage.)
3. Shared Open Space
The pro-formas for the Project should assume a contribution for the design, construction and ongoing maintenance of the shared open space parcel, based on the pro-rata share of each housing type’s residential square footage of the entire project.

D. DEVELOPER FUNDED AFFORDABLE HOUSING UNITS

1. Number and Type of Units
Ten percent of all units in the Project must be affordable to, and occupied by, qualifying persons and families. These units will not be subsidized by OCII or MOHCD and must be either: (1) part of a larger affordable development that includes the OCII funded affordable housing units and with a unit type mix and quality that is consistent with the larger affordable development or (2) part of the Market-Rate Project in a unit type mix and quality that is representative of the market-rate dwelling units, as described below.

2. Comparability of Developer Funded Affordable Housing Units
If the Developer funded affordable housing units are constructed as part of the Market-Rate Project, the units must be comparable in the size, number of bedrooms, exterior appearance, and overall quality of construction to the market-rate dwelling units, with a goal of comparability in square footage. The interior features of these units need not be the same as or equivalent to those in market-rate dwelling units, as long as they are of good quality and are consistent with current standards for new housing.

3. Location of Units
The Developer Funded Affordable Housing Units may be located anywhere on the block.
4. Income Eligibility

a. Rental Units. For rental developer funded affordable housing units, incomes of qualifying persons and families may not exceed 60% of the unadjusted Area Median Income ("AMI") for the HUD metro fair market rent area ("HMFA") that contains San Francisco, as published by the MOHCD. AMI levels and associated rents permitted for the Developer funded affordable housing units are included in Attachments 1 and 2 to this RFP.

b. Ownership Units. For-sale developer funded affordable housing units will be subject to MOHCD’s Inclusionary Housing Program Monitoring and Procedures Manual related to the pricing operations of the units. Incomes may not exceed 100% of AMI.

5. Parking Requirements

Parking spaces shall be made available to renters or buyers of the developer funded affordable housing units at the same ratio of parking spaces to residential units for the Market-Rate Project overall. For the purposes of this RFP, development teams should assume that the parking spaces for the developer funded affordable housing units, whether rental or for-sale units, will be leased at a rate that is the lesser of: 1) 50 percent of the market rate for a parking space; or 2) two-times the operating cost of an individual parking spaces. The actual lease rate may vary. Development teams should include their assumptions for the monthly market rate price and/or operating cost of a parking space in their proposal.

6. Term of Affordability Restrictions

The Developer Funded Affordable Housing Units shall be affordable to qualifying persons and families for the life of the Project, but in no event shall this be for less than fifty-five (55) years for rental housing or forty five (45) years for homeownership units pursuant to California Health and Safety Code Section 33334.3.
7. Occupancy Preferences and Resident Selection

During the development process, OCII, in consultation with MOHCD, will require a detailed marketing plan that will define occupancy preferences and resident selection. Consistent with City, OCII, and MOHCD policy, the developer will be required to give first preference in resident selection to Former Agency Certificate of Preference Holders. Second preference will be given to residents and workers of San Francisco. Preferences must comply with Fair Housing Law.

OCII, in consultation with MOHCD, will require the development team to broadly advertise the availability of the affordable units, as well as provide notice through public meetings and mailings. MOHCD, who provides staffing assistance to implement the Agency’s Certificate of Preference Program, will assist the development team in notifying holders of an Agency Certificate of Preference Holders and others on the City’s mailing list of those interested in rental opportunities. Staff will also work with the selected development team to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements. If more applicants apply by a designated application date than the number of units available, the development team shall conduct a lottery. Final selection will lie with the development team.

8. Future Potential Conversion from Rental to For-Sale

In the event the Market-Rate Project converts from rental to for-sale at some future date, existing tenants of developer-funded affordable units will be offered a right of first refusal to purchase the for-sale unit at a purchase price that is set at level of affordability that is the higher or 60% of AMI or the actual income of the existing tenant, up to 120% of AMI as of the date of the close of escrow on the unit. Appropriate noticing and relocation benefits will also be required, consistent with requirements in the City’s Rent Ordinance. The DDA will further set forth terms and conditions for the conversion of affordable rental units to affordable for-sale units. If converted, parking spaces will continue to be made available pursuant to Section 4.D.5 of this RFP.
TRANSACTION REQUIREMENTS AND ASSUMPTIONS

E. OCII FUNDED AFFORDABLE HOUSING UNITS

To meet the significant affordable housing production requirement for the entire Project Area, OCII is proposing to subsidize 17% of the total number of units on Block 8 as affordable family rental housing. The Agency is seeking proposals that meet the specific unit mix and financing criteria described below, but also those that maximize financial feasibility and economies of scale, and minimize the OCII subsidy per unit.

1. Unit Type and Maximum Income Level

The OCII funded affordable housing will consist of family rental housing with a mix of one-, two-, and three-bedroom apartments affordable to families whose incomes do not exceed 50% of the AMI for the HMFA that contains San Francisco, as published by MOHCD. The total unit mix in the OCII funded affordable housing project should include a minimum of 30 percent three-bedroom units. Unit sizes should exceed the minimum unit sizes established by the State of California’s Tax Credit Allocation Committee (“TCAC”). The TCAC minimums are: 500 square feet for a one-bedroom unit, 750 square feet for a two-bedroom unit, and 1,000 square feet for a three-bedroom unit. AMI levels and associated rents permitted for the Affordable Project are included as Attachments 1 and 2. Consistent with the OCII’s practice of creating quality living units, OCII and MOHCD seek designs that maximize the number of units based on the size parameters described above, and also those that maximize the livability (including light and air) of the units.

2. Financing Assumptions

Development teams should submit, as further described in Section 5.B, a financial plan that demonstrates project feasibility. Proposals will be evaluated, in part, based on the level of OCII subsidy required and the extent to which these funds are leveraged to obtain non-OCII sources. OCII expects development teams to access other sources of funding.

Development teams should assume the following in their OCII funded affordable project financing plan:

a. The maximum OCII subsidy must not exceed $200,000 per unit.

b. Currently available funding sources (i.e. 4 percent low income housing tax credits and tax exempt bonds) must be used as a baseline scenario. Development teams may choose to include additional scenarios with other hypothetical funding sources for which there is a reasonable expectation of future availability.
c. Rents may not exceed those that are affordable to households earning 50 percent of AMI. Depending on the funding sources proposed, rents may be tiered and be less than 50 percent AMI. However, in the absence of funding sources with more restrictive AMI requirements, development teams should keep in mind OCI's and MOHCD's goal to minimize Agency subsidy per unit when determining the affordability levels.

d. Operating budgets must include all expenses necessary to operate and maintain properly the building, with all staffing and other operating assumptions explicitly noted. Common Area maintenance ("CAM") charges and parking garage operational charges should be included in the operating budget based on the Affordable Project's pro-rata share as previously described. The CAM charges should include only those expenses that are typical for City-funded affordable housing projects (i.e. higher end expenses more typical of market-rate housing should not be shared by the Affordable Project).

e. The Air Rights Lease will have an initial term of 50-70 years, with an option to extend to a total of 99 years. OCI will transfer the Air Rights parcel and assign the Air Rights Lease to MOHCD at the completion of the project, pursuant to Section 34181(c) of the California Health and Safety Code. At the end of the 99 year term, the ownership of the OCI Funded Affordable Housing improvements will revert to MOHCD. The annual base lease payment will be $15,000 and should be considered an "above the line" operating expense, with residual and/or contingent rents (to be defined in the Air Rights Lease) to come from surplus cash, if any. The total rent will reflect 10 percent of the unrestricted air rights parcel value.

f. The MOHCD/Developer Fee Policy will apply to the OCI Funded Affordable Project (Attachment 3).

g. Retail/commercial shell costs may be included in the cost of the OCI Funded Affordable Project, consistent with the Policy on the Development and Funding of Commercial Space in MOHCD Funded Housing Developments (Attachment 4).

h. All proposed financing will be subject to underwriting using the most current version of the MOHCD underwriting guidelines, included as Attachment 5 as well as those policies and procedures on the MOHCD website http://sf-moh.org/index.aspx?page=25 as applicable based on housing type. These include, but are not limited to, the MOHCD Development Fee, Asset Management Fee, A&E Basic Services Fee Guidelines and Schedule, Residual Receipt, Subordination, Bond Issuance, and Partnership Management Fee policies, as may be updated from time to time. All development teams should use these guidelines in preparing their financing plans.
3. Resident Amenities and Services

Appropriate onsite services should be incorporated into the development. Services should be designed to serve the needs of low- and very low-income families. No separate subsidy will be made available for services; the cost of services should be incorporated into the operating budget and may include the cost equivalent to up to one full-time employee.

4. Property Management/Maintenance Oversight

Development teams must provide information regarding the proposed property management team’s experience, including previous work with family rental housing. Please see Submission Requirements, Section 5.B. The property management firm is expected to provide sound operational and building management, and be willing to meet with residents, along with the owner of the project, at regularly scheduled tenant meetings.

5. Occupancy Preferences and Resident Selection

During the development process, OCII and MOHCD will require a detailed marketing plan that will define occupancy preferences and resident selection criteria. Consistent with MOHCD and OCII policy, the developer will be required to give first preference in resident selection to Agency Certificate of Preference Holders. Second preference will be given to residents and workers of San Francisco. Preferences must comply with Fair Housing law.

OCII and MOHCD will require the development team to advertise broadly the availability of the affordable units, as well as provide notice through public meetings and mailings. MOHCD, who provides staffing assistance to implement the Agency’s Certificate of Preference Program, will assist the development team in notifying holders of an Agency Certificate of Preference and others on OCII’s and MOHCD’s mailing list of those interested in rental opportunities. Staff will also work with the selected development team to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements. If more applicants apply by a designated application date than the number of units available, the development team shall conduct a lottery. Final selection will lie with the development team.
6. Term of Affordability Restrictions

The OCII Funded Affordable Project shall be affordable to qualifying persons and families for the life of the projects unless financing or legal impediments require a lesser period of time, but in no event shall the duration of the affordability restriction be less than fifty-five (55) years pursuant to California Health and Safety Code Section 33334.3. Additionally, the Agency will require an ownership structure that ensures the project’s affordability in perpetuity, such as the retention by OCII and MOHCD of the air rights parcel in which the units are constructed. The Air Rights Lease will require that ownership of the Affordable Project improvements reverts back to MOHCD after 99 years.

F. PROPOSED DISTRICTS

1. Community Benefit District

Block 8 is within a proposed Community Benefit District (“CBD”). The Lead Developer and Affordable Developer of the Project will be required to participate in the Greater Rincon Hill CBD to help finance community services and the maintenance of public improvements in the Project area. The rates for the Greater Rincon Hill CBD have not been determined, but proposals should assume the following rates:

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Market-Rate Residential Units</td>
<td>$0.09 per building sq ft/yr; $0.09 per lot sq ft/yr; and</td>
</tr>
<tr>
<td>Affordable Units</td>
<td>$0.06 per building sq ft/yr; $0.06 per lot sq ft/yr and</td>
</tr>
<tr>
<td>Commercial Space</td>
<td>$0.09 per building sq ft/yr; $0.09 per lot sq ft/yr; and</td>
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</tbody>
</table>
2. Mello-Roos Community Facilities District

As part of the Transit Center District Plan, which was approved by the Board of Supervisors in July 2012, a Mello-Roos Community Facilities District (“CFD”), which will include all of the State-owned parcels in the Project Area, including Block 8, is being established to require the owners of the buildings within the CFD to pay an annual special tax. The CFD special tax will generate additional revenue to help pay the cost of constructing the new Transbay Transit Center and other public improvements. Note that the CFD does not apply to affordable housing units.

Proposals for Block 8 should assume the following rates:

### For-Sale Residential Square Footage

<table>
<thead>
<tr>
<th>Building Height</th>
<th>Base Special Tax Fiscal Year 2013-14</th>
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<tbody>
<tr>
<td>1 – 5 Stories</td>
<td>$4.71 per For-Sale Residential Square Foot</td>
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<tr>
<td>6 – 10 Stories</td>
<td>$5.02 per For-Sale Residential Square Foot</td>
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<td>11 – 15 Stories</td>
<td>$6.13 per For-Sale Residential Square Foot</td>
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<td>16 – 20 Stories</td>
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<td>21 – 25 Stories</td>
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<td>26 – 30 Stories</td>
<td>$6.76 per For-Sale Residential Square Foot</td>
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<td>31 – 35 Stories</td>
<td>$6.88 per For-Sale Residential Square Foot</td>
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<td>36 – 40 Stories</td>
<td>$7.00 per For-Sale Residential Square Foot</td>
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<td>41 – 45 Stories</td>
<td>$7.11 per For Sale Residential Square Foot</td>
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<td>46 – 50 Stories</td>
<td>$7.25 per For-Sale Residential Square Foot</td>
</tr>
<tr>
<td>More than 50 Stories</td>
<td>$7.36 per For-Sale Residential Square Foot</td>
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### Rental Residential Square Footage

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<th>Building Height</th>
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<tr>
<td>1 – 5 Stories</td>
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<td>6 – 10 Stories</td>
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<td>16 – 20 Stories</td>
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<tr>
<td>26 – 30 Stories</td>
<td>$4.78 per Rental Residential Square Foot</td>
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</table>
3. Combined Heat and Power District

The City’s Department of the Environment, working with the Successor Agency and the Planning Department, is preparing a planning-level feasibility study to evaluate the possibility of creating a combined heat and power (“CHP”) district in the Transbay area. The district could potentially include Zone One of the Project Area, including Block 8, as well as the area surrounding the new Transbay Transit Center. To accommodate the possibility of a future CHP district that includes Block 8, proposals should design and locate the heat and power system within the master block so that it can be connected and adapted to a CHP system if such a system becomes available.

G. SUSTAINABLE DESIGN

The City and Successor Agency seek to maximize the overall sustainability of Block 8 through the integrated use of “green” building elements. Block 8 must be designed to sustainability standards as specified in Chapter 13 of the 2010 San Francisco Building Code and the City’s Department of Building Inspection, Administrative Bulletin No. AB-093. In addition, per the Development Controls, all projects are encouraged to use the Leadership in Energy and Environmental Design (LEED) standards and buildings should meet or exceed a LEED Silver level of certification.
H. BUSINESS AND COMMUNITY EARTHQUAKE RESILIENCE

Recent major earthquakes around the world and other natural disasters in the United States have exposed the vulnerability of the built infrastructure. The consequences are most acutely felt by individual communities and their inability to recover effectively. For example, the central business district in Christchurch, New Zealand is still cordoned, more than two years after an earthquake damaged many buildings which were designed to building codes similar to the US.

The Transbay Transit Center (TTC) has been designed to be operational shortly after a future major earthquake, far exceeding the basic building code performance requirements of public safety. Details of the TTC’s earthquake resilience objectives are available for public inspection at the offices of the Transbay Joint Powers Authority, 201 Mission Street, Suite 2100, San Francisco, CA (phone: 415-597-4620). OCII is seeking to promote post-earthquake business and community continuity through enhanced design of new development sites around this important transport hub. Accordingly the Project should be designed to minimize earthquake damage and allow business operations to resume in a timely manner after a major earthquake.
SECTION 5

SUBMISSION REQUIREMENTS AND SELECTION PROCESS

A. Submission Process 5.1
B. Submission Requirements 5.2
C. Selection Criteria 5.9
D. Selection Process 5.10
E. Next Steps 5.10
A. SUBMISSION PROCESS

1. Registration
All respondents to this RFP must complete the RFP Registration Form (Attachment 6) and submit it to OCII along with a non-refundable registration fee of $100 in the form of a cashier’s or certified check made payable to the Successor Agency to the San Francisco Redevelopment Agency. Registered parties may purchase a hard copy of the RFP and other relevant documents, if desired, from OCII’s office at 1 South Van Ness Avenue, Fifth Floor, for the cost of printing.

The RFP is also available online at: www.sfredevelopment.org.

Responses to the RFP will only be accepted from registered RFP holders.

To register, contact Courtney Pash at (415) 749-2439 or courtney.pash@sfgov.org.

2. Pre-Submittal Meeting
A pre-submittal meeting will be held at 1 South Van Ness Avenue on the second floor, at 10:00 a.m. on Monday December 9, 2013. The purpose of the meeting is to ensure that interested parties understand all of the elements of this RFP, including the scope of the development project, the affordability requirements, and the submission requirements. Although attendance is not mandatory, it is highly recommended.

3. Questions/Requests for Additional Information
All questions and requests for additional information regarding this RFP must be received in writing to the OCII, by hand, overnight delivery, or mail to the attention of Courtney Pash at 1 South Van Ness Avenue, Fifth Floor, San Francisco, CA, 94103, by fax to (415) 749-2526, or by e-mail to courtney.pash@sfgov.org on or before 3:00 p.m. on January 17, 2013. All addendums, responses and additional information will be distributed to all registered RFP-holders. The OCII reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information.

4. Submission Deadline
An unbound original and eight (8) copies of the submittals must be received by 3:00 p.m. on February 26, 2014. Deliver all proposals marked TRANSBAY BLOCK 8 RFP SUBMITTAL to the attention of:

Courtney Pash
Assistant Project Manager, Transbay
Office of Community Investment and Infrastructure
1 South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Hand delivery is advised.

Late, emailed, or faxed submittals will not be considered.
B. SUBMISSION REQUIREMENTS

Responses to this RFP must contain all of the elements listed below and be organized in the form and order indicated. Teams are also encouraged to include a table of contents, and to index the proposal. If two or more firms combine as a joint venture for the purpose of responding to this RFP, each joint venture partner must include the required information.

1. Development Team Description

   a. DEVELOPER(S)

      i. Developer Entity: Identify and describe the legal developer entity or entities that will accomplish the development opportunity. Include each entity’s name, type of organization (e.g., 501 (c)3, LLC, etc), anticipated role, and anticipated percentage ownership in the proposed project. Should developers desire to enter into a joint venture, the proposal must include a description of how project roles and responsibilities will be assigned to each member.

      In responding to this RFP, a non-profit affordable housing developer may partner with more than one market-rate developer. Development of the affordable housing must include a non-profit developer.

      ii. Key Personnel: Identify and describe the key personnel, including the person in charge of negotiations for the Market-Rate Project and the person in charge of negotiations for the OCII Funded Affordable Housing Project. Provide a resume for each individual, as well as each individual’s name, title, role on the proposed project, address, telephone number, facsimile number, and email address.

   b. OTHER

      i. Marketing Plan: Develop and describe the marketing plan, which should include the market analysis, the target market, the marketing strategy, the proposed sales and marketing team, and the sales and marketing budget.

      ii. Construction Plan: Develop and describe the construction plan, which should include the construction schedule, the construction budget, the construction team, and the monitoring of construction progress.

   c. Financial Plan

      i. Feasibility Study: Conduct a feasibility study to determine the financial viability of the project. The study should include an analysis of market trends, the financial projections, and the risk assessment.

      ii. Marketing and Sales Strategy: Develop a marketing and sales strategy to promote the project and attract potential buyers.

   d. Legal Plan

      i. Legal Analysis: Conduct a legal analysis to identify any potential legal issues and to develop a plan to address them.

      ii. Contracts: Develop and describe the contracts to be used for the project, including the construction contract, the sales and marketing contract, and the financing contract.

   e. Other Requirements

      i. Environmental Impact Assessment: Conduct an environmental impact assessment to identify any potential environmental impacts and to develop a plan to mitigate them.

      ii. Community Benefits Agreement: Develop and describe the community benefits agreement, which should include the benefits to be provided to the community and the process for monitoring the implementation of the agreement.

   f. Other

      i. Risk Management: Develop and describe the risk management plan, which should include an identification of potential risks, a risk assessment, and a plan for mitigation.

      ii. Quality Control: Develop and describe the quality control plan, which should include the quality control process, the quality control standards, and the quality control procedures.

2. Project Timeline

   a. Milestones

      i. Pre-Construction

         - Site Preparation
         - Permit Acquisition

      ii. Construction

         - Foundation
         - Framing
         - Roofing

      iii. Post-Construction

         - Finishing
         - Inspection

3. Project Budget

   a. Cost Breakdown

      i. Direct Costs

         - Labor
         - Material

      ii. Indirect Costs

         - Administration
         - Overhead

   b. Contingency

      i. General Fund

         - Legal
         - Insurance

      ii. Specific Funds

         - Construction
         - Marketing

4. Project Management

   a. Project Manager

      i. Duties

         - Coordinate the project team
         - Monitor project progress
         - Manage project budget

   b. Project Team

      i. Roles

         - Lead Architect
         - General Contractor
         - Project Engineer

   c. Communication

      i. Communication Plan

         - Internal

            - Team Meetings
            - Weekly Reports

         - External

            - Monthly Reports
            - Public Meetings
iii. **Organizational Documents:** Submit the following organizational documents for each developer entity that is part of the development team:

*Agency Form 6004 (Attachment 7):* Identifies the legal entity with whom OCII would negotiate and contract.

Disclosures Questions (Attachment 8): These questions are designed to identify any potential conflicts of interest and/or liability issues. A summary of Government Code Section 87103 containing the relevant portion of the Fair Political Practices Act is included as a footnote on the Disclosure Form for reference.

Certificate of Good Standing from the California Secretary of State: NOTE: The Certificate must bear the official seal of the State of California; web screen print outs are not acceptable.

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

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

b. **DESIGN TEAM**

i. **Architect/Architects.** It is expected that development teams will include: (1) a lead architect to design the residential tower and townhouses and coordinate the master planning of the entire project; (2) an architect for the podium buildings, to be subcontracted to the lead architect; and (3) a landscape architect to design the shared open space, the streetscape, and other landscape improvements. Identify and describe the lead architect and other architects that will design the Block 8 development. Include each firm’s name and anticipated role in the proposed project.

ii. **SBE Participation.** To comply with the SBE Program, the development team for the RFP should explain how its current or future composition, including consultants or subconsultants, will meet the goals of the SBE Program, as described above and in Attachment 14 to this RFP. The current development team should not include any design consultants or subconsultants except those specifically requested to be included. All other consultants and subconsultants must be selected in accordance with OCII’s Small Business Enterprise Program.

iii. **Key Personnel.** Identify and describe the key personnel for each architectural firm. Provide a resume for each individual, as well as each individual’s name, title, role on the proposed project, address, telephone number, facsimile number, and email address.

c. **PROPERTY MANAGER**

Identify and describe the property management company that will manage the OCII Funded Affordable Housing Project.
2. Developer Experience
For each developer entity, describe a maximum of five (5) projects comparable to the proposed Block 8 project and scope completed within the last ten (10) years. Include dates of completion, size, construction type, total development cost, financing sources, location, target resident population (if applicable), the role of the developer in each development (such as contractor, developer, consultant, etc), and references (including names, affiliations, and phone numbers). Photographs of projects may be included, but are not required. Each developer entity should also describe the history and course of dealing of the developer entity or related entities with OCII, the Former Redevelopment Agency, the TJPAC, or the City and County of San Francisco.

3. Architect Experience
For each architectural firm on the team, provide the following:

a. **Comparable Projects:** Describe a maximum of five (5), completed comparable recent developments, including dates completed and client contact information for each. (If the Architect was not the sole architect, please describe the Architect’s role in the project.)

b. **Photographs of Comparable Projects:** Submit three (3) photographs of the interiors and exteriors of the comparable projects listed above, to display architectural design features, relationships of buildings and relationships with adjacent uses (other developments, streets, etc).

c. **“Green” Building Experience:** Describe green building design experience and evidence of current LEED professionals, if any.

4. Property Manager’s Experience
For the OCII Funded Affordable Project, complete the Property Management Experience Form (Attachment 9). Identify property management experience with tax credit funded projects.

5. Developer’s Financial Capacity and Capability
In order to evidence access to equity capital and financing resources to carry out the proposed project, provide in a separate submittal (marked “confidential”), two sets (not bound or stapled) of the information indicated below for each developer entity that is part of the development team.

Respondents must clearly designate those financial submittals which it in good faith determines to be a trade secret or confidential proprietary information that the Respondent claims is protected from disclosure under applicable law. To the extent permitted by law, OCII will attempt to maintain the confidentiality of such financial submittals. However, such confidentiality cannot be assured.

a. **Financial Statements:** Submit audited financial statements for the past two years of each principal and joint venture partner, including statement of changes in financial position and statements of any parent organizations and any materially relevant subsidiary units.

b. **Real Estate Portfolio:** Submit a summary of each principal’s current real estate portfolio, listing the following for each project: project name, type, location (city, state), project size (rentable area), date completed, value, debt, role (developer, operator, property manager, etc.), ownership interest, and occupancy rate. Identify any projects with negative cash flows,
c. **History of Financing Commitments:** For each principal, submit a recent history in obtaining financing commitments, detailing type of project, dates of commitment, financing source, amounts committed, etc.

d. **Pipeline Projects:** For each principal, list and describe all projects in the pipeline including status, development budget and schedule and financial commitment required of developer, a detailed description of the project financing methods, sources and amounts. Indicate any working relationship on other projects with members of the development team for the proposed project.

e. **Sources of Capital:** Identify specific sources of debt/equity capital, including relationship to the developer (outside lender, parent company, etc.) and contact information.

f. **Availability of Capital:** Provide a written statement from each financing source that the equity and/or mortgage capital is available or will be made available for funding the proposed project, and that the proposed project is consistent with the source’s investment criteria for a project of this type and size. In lieu of commitment letter(s) for the proposed project, respondents may submit written statements from their financing source(s) describing past projects which the source has financed for the respondent. Such written statements shall detail the amount of capital, the size of the proposed project and any other pertinent information that will assist OCII in determining the availability of equity or mortgage capital to fund the proposed project.

6. **Design Concept**

Development teams shall submit a design concept (the “Design Concept”) that illustrates, at a pre-schematic level, the massing, program disposition, articulation, materials, and design character of the proposed development. The Design Concept is expected to demonstrate design excellence and attention to detail with an emphasis on sustainability and enhancing unit livability. If selected, the development team will work collaboratively with OCII and MOHCD staff to develop a schematic design, which must be approved by the Commission on Community Investment and Infrastructure.

The Design Concept must include the following:

a. **Project Summary:** Submit a summary of the Project of not more than one (1) page summarizing the key Project details including: total number of units, number of market-rate, developer-subsidized, and OCII subsidized units, unit type mix (number and percentage of total), average unit size for each unit type, number of parking spaces, AMI levels affordable units, and gross square feet by use.

b. **Project Narrative:** Submit a narrative of not more than three (3) pages describing the proposed development, including a description of how the project will be constructed, the construction type, building materials and green building strategies and elements.
c. **Design Concept Drawings:** Provide pre-schematic level drawings in color, including a site plan, sections, floor plans, and building elevations. Additional diagrams and sketches of building systems and green building strategies are permitted where they clarify non-standard approaches. Ensure that submitted drawings are to the scale indicated.

i. **Site Plan:** At a scale of 1" = 50'-0", showing building massing and the relationship of proposed and surrounding buildings, open space, streets, and access paths. Indicate locations of retail frontages, community space, lobby entrances, main residential entrances, auto ingress/egress, etc., for the proposed development.

ii. **Overall Ground Floor Plan:** At a scale of 1" = 50'-0", showing the internal organization of the sites.

iii. **Sections:** At least two site sections at 1/32" = 1'-0", one longitudinal and one transverse, that best describe the Design Concept.

iv. **Building Floor Plans:** Plans of all floors at 1/32" = 1'-0", showing proposed uses. Repetitive floors may be shown once with labeling indicating the range illustrated. Floor plans should indicate the number of bedrooms per unit, but should not show unit layouts. Sufficient detail should be included to discern the internal circulation of residents, bicyclists, deliveries, and waste streams, but such paths need not be called out explicitly. Conceptual locations for major building systems should be indicated, including transformers, meters, pump rooms, and the like.

v. **Typical Unit Plans:** Plans of typical units at 1/8" = 1'-0". Include up to eight typical unit plans in black and white (not rendered), with indicative furniture layouts.

vi. **Building Elevations:** All elevations at a scale of 1/32" = 1'-0".

d. **Perspective Sketches:** Provide perspective sketches, in color, showing the architectural character of the Design Concept. At a minimum, include one eye level view from the corner of Folsom and Fremont Streets and one from across First Street looking northeast toward the Project Site.
7. Financial Proposal
Provide detailed written information regarding the financial aspects of the proposed project. Separate financing plans for the Market-Rate Project, including the Developer funded affordable housing units, and the OCII Funded Affordable Housing Project should be provided.

a. Market-Rate Project: Submit a financing plan that is consistent with the Market-Rate Project requirements, including the cost of constructing the shared underground parking garage, shared open space, and any other developer obligations attributable to the project, as described in section 4 of this RFP. The financing plan for the Market-Rate Project should include the following:

   i. Purchase Offer: OCII is seeking the fair market purchase price due at land transfer. The purchase price shall be a guaranteed fixed payment that is not contingent on project performance.

   ii. Sources & Uses Pro-Forma: Provide detailed construction and permanent sources and uses pro-forma(s) for the Project that includes a detailed development budget, from predevelopment up to and including stabilized operation or sale. The pro-forma(s) must provide a complete cost-revenue analysis that demonstrates the financial feasibility of the proposed development. The pro-forma must include all assumptions (e.g. HOA fees, fee for parking spaces, etc), detailed documentation for gross sales and gross rental proceeds for both the Market-Rate and Developer Funded Affordable Housing Units (if these units are developed as part of the Market-Rate Project), itemization of off-site improvements, permits and fees calculations, site remediation assumptions, the calculations used in calculating the annual CBD and CFD payments, and the residential and commercial gross and rentable square footages.

   iii. Commercial Pro-Forma: Submit a separate commercial income, expense and cash flow analysis, including gross and net square footages.

b. OCII Subsidized Affordable Project: Submit a financing plan that is consistent with the Project requirements, including the cost of constructing the shared underground parking garage, shared open space, and any other developer obligations attributable to the project, as described in Section 4 of this RFP. The financing plan should include the following:

   i. Sources & Uses Pro-Forma: Submit a detailed construction and permanent sources and uses pro-forma based on the proposed financing plan, with the amount of Agency subsidy requested clearly identified. The pro-forma should be in approximately the same format as the TCAC Development Budget. (See Attachment 10 for reference purposes. Developers may add or delete line items to the TCAC pro-forma as necessary to provide the most complete and accurate financial information possible.) Include Affordable Project hard costs per unit and per square foot, and describe whether or not these costs are comparable to recent projects. For purposes of evaluation and ranking of proposals, developers are asked to leave out any commercial space income or expense assumptions in the pro-forma (see item iv below). The pro-forma should identify primary capital funding sources.
For the purposes of this RFP, and based on currently available funding sources, developers should provide a “baseline” pro forma that includes only 4% low income housing tax credits, tax-exempt bonds, Federal Home Loan Bank Affordable Housing Program funds, and an OCII subsidy of up to $200,000 per unit. Private bank debt may be included, if appropriate. Developers will be expected to aggressively pursue other funding sources. The pro-forma must account for the cost of constructing open space and parking as described in Section 4. All assumptions should be clearly noted.

ii. **Operating Budget**: Submit an operating budget that includes all expenses necessary to properly operate and maintain the buildings, open space and parking. Provide narrative detail regarding all operating assumptions, including staffing pattern and number of FTEs.

iii. **Cash Flow**: Submit a 20-year cash flow projection.

iv. **Commercial Pro-Forma**: Submit a separate commercial income, expense and cash flow analysis.

C. **Other Project Financial Proposal Requirements**:

i. **Market Data**: Provide market data that identifies clearly supported conclusions regarding the viability of proposed tenancies, unit size, unit mix, amenities, price structure, and absorption for optimizing market success on this Site. This analysis should be provided for all components of the Project.

ii. **Retail Plan**: Provide evidence that the project will be able to attract quality, local retailers based on the configuration of the retail space and the tenant improvement allowances included in the pro-forma.

iii. **Schedule**: Provide a detailed, estimated development schedule that includes all activities from predevelopment through completion of construction and full occupancy. The dates for the start of construction and project completion should reflect reasonable assumptions for the time required to develop a project of this size.

iv. **Economies of Scale/Contracting Process**: As discussed in Section 3 of this RFP, the entire project should be considered one development project, to be constructed by a single general contractor overseen by the market-rate developer, in order to achieve economies of scale. Provide a description of the economies of scale that can be achieved by designing and constructing the entire Project as one development project. Also provide a description of the proposed contracting process, including how the construction will be negotiated between the general contractor and the developers.

8. **Offer to Negotiate Deposit**

Each development team shall submit an Offer to Negotiate Deposit in the amount of $10,000 in the form of a cashier’s or certified check made payable to the Successor Agency to the San Francisco Redevelopment Agency. The Offer to Negotiate Deposit shall be returned, without interest, to development teams not selected by OCII to enter into exclusive negotiations. The Offer to Negotiate Deposit will not be returned to development teams that elect not to
continue in the RFP process or are disqualified for any reason. Failure to include a valid Offer to Negotiate Deposit will disqualify a proposal. If a development team is selected for exclusive negotiations, but a development agreement is not entered into with such development team, the Offer to Negotiate Deposit will be non-refundable and will be retained by the Successor Agency.

9. Other Required Submission Elements
   a. **Statement of Compliance**: Each development team member (i.e. each developer entity and architecture firm) must submit a signed Statement of Compliance with Successor Agency Policies (Attachment 11) certifying its agreement to comply with all of the Successor Agency policies as summarized in Section 6 of this RFP. Failure to include a complete, signed statement from each development team member will disqualify the proposal.

   b. **Certification of Applicant**: Each development team member must submit a signed Certification of Applicant (Attachment 12) certifying under penalty of perjury under the laws of the State of California that all information provided in the submission is true and correct. Failure to include a complete, signed certification from each development team member will disqualify the proposal.

   c. **Submission Checklist**: Each development team must submit a completed and signed Submission Checklist (Attachment 13), certifying that all items on the checklist are contained in the proposal. Development team scores may be negatively impacted by the submission of incomplete information.

C. **SELECTION CRITERIA**

Selection of a development team with which OCII will enter into exclusive negotiations for the development of Block 8 will be based on the following factors:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL PROPOSAL</strong></td>
<td></td>
</tr>
<tr>
<td>Market-Rate Project</td>
<td></td>
</tr>
<tr>
<td>Total purchase price</td>
<td>60</td>
</tr>
<tr>
<td>Overall financial feasibility of the proposal, including the ability to secure debt and equity financing</td>
<td>5</td>
</tr>
<tr>
<td>Affordable Project</td>
<td></td>
</tr>
<tr>
<td>Overall financial feasibility and level of OCII subsidy</td>
<td>10</td>
</tr>
<tr>
<td><strong>Subtotal Financial Proposal</strong></td>
<td>75</td>
</tr>
<tr>
<td><strong>DEVELOPMENT CONCEPT</strong></td>
<td></td>
</tr>
<tr>
<td>Proposed massing concept for the Project, including design quality, sustainability, constructability, proposed concept for ground floor uses, and consistency with the Development Controls</td>
<td>15</td>
</tr>
<tr>
<td><strong>DEVELOPMENT TEAM EXPERIENCE</strong></td>
<td></td>
</tr>
<tr>
<td>Developer(s) and architect experience in designing and developing projects comparable to the project proposed in this RFP; History and course of dealing with OCII, the Former Redevelopment Agency, the TJPA, and the City and SBE participation will also be considered.</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL POINTS</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

Scores may be negatively impacted by the submission of incomplete information.
D. SELECTION PROCESS

1. The proposals will be reviewed and evaluated using the criteria specified in Section 5.C above by a selection panel (the “Selection Panel”), comprised of staff of OCII, Planning Department, and MOHCD Staff and a member of the Citizens Advisory Committee (“CAC”).

2. Staff of OCII and MOHCD may contact references.

3. Further written material regarding qualifications or submittals may be requested at any time during the selection process.

4. Based on evaluation of the proposals, the Selection Panel will invite development teams that meet the submission requirements to participate in interviews. Interviews will provide an opportunity for development teams to present their proposals, and for the selection panel to ask clarifying questions about the proposals.

5. Based on evaluation of the proposals, interviews with each development team, and reference checks (if conducted), the Selection Panel will submit a recommendation to the Executive Director, the CAC and the Commission on Community Investment and Infrastructure (“Commission”) for selection of a development team with which OCII will enter into an Exclusive Negotiation Agreement (“ENA”) for the development opportunity. The Disposition and Development Agreement (“DDA”) and Air Rights Lease will require approval by the City’s Board of Supervisors under the standard of review described in Section 33433 of the California Health and Safety Code and applied to Agency-acquired property by Section 4.7.2 of the Redevelopment Plan. The Citywide Affordable Housing Loan Committee will review and recommend to the Commission the financing plan for the OCII Funded Affordable Project.

E. NEXT STEPS

1. Exclusive Negotiations
OCII, in consultation with MOHCD staff, will work with the selected development team to prepare an ENA. Once staff and the development team come to an agreement on terms, the Commission on Community Investment and Infrastructure will consider approval of the ENA. (Anticipated Approval: May 2014). The selected development team should assume that a deposit of $500,000 will be payable within 30 days after the execution of the ENA (the “ENA Deposit”). The ENA Deposit will be used by OCII to reimburse and fund its third party costs related to this RFP and the subsequent agreements and will not be credited against the purchase price.

After execution of the ENA, the selected development team and OCII will attempt to negotiate a DDA. The period after the execution of the ENA and before the execution of a DDA is defined as the “negotiations period.” During the negotiations period, the development team will be responsible for the following:

a. Obtaining financial commitments from lenders and/or equity participants;

b. Completing its “due diligence” review of the physical conditions on the site, preparing financial projections, and completing preliminary development plans;
c. Revising the proposed project concept and schematic design as a result of the review process, and to respond to new information concerning the physical conditions on the Site. OCII will work with the selected development team to achieve a final project that is mutually acceptable to OCII staff and the development team; and

d. Meeting certain milestones specified with dates in a schedule of performance during the negotiations period to be determined and attached to the ENA.

During the negotiations period, the parties will negotiate the terms of the draft DDA, the Air Rights Lease and any other related documents.

2. Disposition and Development Agreement
The DDA will include, but not be limited to, OCII, MOHCD, and development team responsibilities, economic parameters, closing conditions, development standards and requirements, and performance benchmarks and schedules. It will also require the DDA Deposit of $2,000,000, to be credited against the land payment, payable within 30 days after the execution of the DDA. Additionally, the DDA will include a construction commencement requirement, which will be based on the detailed development schedule submitted pursuant to Section 5.B of this RFP. Should construction of the Project not commence or be complete by certain agreed upon dates, the developer will be required to pay the estimated property tax increment that would otherwise be due.

The Commission’s approval of the DDA is anticipated by November 2014.

3. Predevelopment Loan and Permanent Loan
The predevelopment loan, if necessary, will provide the developer of the OCII Funded Affordable Housing Project with funding for predevelopment tasks including design development, environmental review, permitting fees, funding applications, and other application fees through the closing of the construction loan and commencement of construction. The permanent loan will provide gap funding once all other Project sources have been maximized pursuant to Section 4 of this RFP.

4. Air Rights Lease
The Air Rights Lease will include, but not be limited to, OCII, MOHCD and development team responsibilities, economic parameters, closing conditions, development standards and requirements, and performance benchmarks and schedules. The Air Rights Lease will have an initial term of 65-70 years, with an option to extend to a total of 99 years. At the end of the 99 year term, the ownership of the OCII Funded Affordable Housing Project improvements will revert to MOHCD. The annual base lease payment will be $15,000 and should be considered an “above the line” operating expense, with residual and/or contingent rents (to be defined in the Air Rights Lease) to come from surplus cash, if any. The total rent will reflect 10 percent of the unrestricted air rights parcel value.
SECTION 6

COMPLIANCE WITH SUCCESSOR AGENCY PRACTICES AND POLICIES

A. Small Business Enterprise Program 6.1
B. Nondiscrimination in Contracts 6.2
   & Benefits
C. Minimum Compensation Policy 6.2
D. Health Care Accountability Policy 6.2
E. Construction Workforce Agreement 6.3
F. Permanent Workforce Agreement 6.3
G. Prevailing Wage Policy 6.3
H. Duty of Loyalty 6.3
I. Insurance 6.4
J. Indemnity 6.5
K. Limitations on Contributions 6.5
COMPLIANCE WITH SUCCESSOR AGENCY PRACTICES AND POLICIES

Each member of the development team responding to this RFP shall acknowledge receipt and understanding of the following contracting requirements and policies and state its ability and willingness to comply with each of them by executing and submitting a Statement of Compliance, included as Attachment 11 to this RFP. Only the development team selected to enter into exclusive negotiations with OCII will be required to submit Attachments 14-19, as detailed below. The various policies the Successor Agency anticipates in any ENA or DDA are subject to any policy changes made by the time any ENA or DDA is executed.

A. SMALL BUSINESS ENTERPRISE PROGRAM

OCII implements the Former Agency's Small Business Enterprise Program ("SBE Program"), which requires the Agency and its contractors to use best efforts to award at least fifty percent (50%) of all contracts to "economically disadvantaged businesses" with the following order of preference: (1) Redevelopment Project Area SBEs, (2) Local SBEs (outside a Project Area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). Non-local SBEs should be used to satisfy participation goals only if Project Area SBEs or Local SBEs are not available, qualified, or if their bids or fees are significantly higher than those of non-local SBEs. The consultant or consulting firm must make good faith efforts to achieve the goals of the SBE Program, which are 50% SBE participation for professional, personal services, and construction contracts. SBEs must be certified with the City's Local Business Enterprise Program. Further information on the criteria for determining eligibility is located in Attachment 14.

To comply with the SBE Program, the development team for the RFP should explain how its current or future composition, including consultants or subconsultants, will meet the goals of the SBE Program, as described above and in Attachment 14 to this RFP. For any questions, please contact Courtney Pash at courtney.pash@sfgov.org.
B. NONDISCRIMINATION IN CONTRACTS & BENEFITS

OCII anticipates following the policy adopted by the Former Agency regarding prohibiting discrimination in contracting, which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. The developer entity selected to enter into exclusive negotiations with OCII shall complete the Nondiscrimination in Contracts and Benefits form or any other form required by any nondiscrimination policy adopted for OCII at the time any ENA is executed. Entities that have already received certification from the City and County of San Francisco regarding their compliance with the City’s Equal Benefits Ordinance will be deemed in compliance. For further information, see the instructions contained in Attachment 15.

C. MINIMUM COMPENSATION POLICY

OCII implements the Former Agency’s Minimum Compensation Policy that requires the payment of a minimum level of compensation to employees for contractors and/or consultants. The developer entity selected to enter into exclusive negotiations with OCII shall complete the Minimum Compensation Ordinance Declaration, included as Attachment 16 or any other form required by any nondiscrimination policy adopted for OCII at the time any ENA is executed.

D. HEALTH CARE ACCOUNTABILITY POLICY

OCII implements the Former Agency's Health Care Accountability Policy ("HCAP"), which requires that contractors offer certain health plan benefits to their employees or participate in a health benefits program developed by the City’s Department of Public Health, or make a payment in lieu of such benefits to the City’s Department of Public Health. The developer entity selected to enter into exclusive negotiations with OCII shall complete the HCAP Declaration Form, included as Attachment 17 or any other form required by any nondiscrimination policy adopted for OCII at the time any ENA is executed.
E. CONSTRUCTION WORKFORCE AGREEMENT

OCII implements the Former Agency’s Construction Workforce Agreement, included as Attachment 18, which establishes a goal of 50 percent participation by San Francisco residents in each contractor’s total hours of employment by trade on the Site. Under the Construction Workforce Agreement, the developer agrees, and will require each contractor (regardless of tier), to use its good faith efforts to employ San Francisco residents to perform construction work upon the Site at a level at least consistent with the 50 percent goal.

F. PERMANENT WORKFORCE AGREEMENT

OCII anticipates following the Agency’s practice for ensuring: (1) that minority group persons and women are provided equal opportunity for, and are not discriminated against, in employment; (2) that San Francisco residents obtain 50 percent of the permanent jobs; and (3) that first consideration be given to project area residents for employment opportunities in the project’s permanent work force, which occupies the improvements on sites covered by a DDA, and in the work forces of retail businesses, which lease space on these sites. The developer entity selected to enter into exclusive negotiations with OCII shall submit a signed Permanent Workforce Agreement, included as Attachment 19 or any other form required by any nondiscrimination policy adopted for the OCII at the time any ENA is executed.

G. PREVAILING WAGE POLICY

OCII implements the Former Agency’s Prevailing Wage Policy (see Attachment 20). The successful development team will comply with this Prevailing Wage Policy (or any other form required by any nondiscrimination policy adopted for the OCII at the time any ENA is executed) and the State of California’s Department of Industrial Relations’ Prevailing Wage Statutes.
H. DUTY OF LOYALTY

The development team for itself and its contractors may have to agree to abide by the Agency’s duty of loyalty, which appears at Section IX.H. (Prohibited Activities of Present and Former Employees, Commissioners and Consultants) of the Agency’s Personnel Policy and which states in part the following: “Unless approved in advance in writing by the Agency, no present or former employee, Commissioner or consultant of the Agency shall knowingly act for anyone other than the Agency in connection with any particular matter in which the Agency is a party, or has a direct and substantial interest, and in which he or she participated personally and substantially as an Agency employee, Commissioner or consultant whether through decisions, recommendations, advice, investigation or otherwise. Violation of this section by a present employee, consultant or Commissioner may, in the case of an employee or consultant, be grounds for discharge or termination of the consultant contract, and in the case of a Commissioner, be considered misconduct in office pursuant of California Health and Safety Code Section 33115.”

I. INSURANCE

Commencing on the date the Commission approves the ENA and for the life of the Project, the selected development team must procure and maintain insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work under the ENA by the development team members, its agents, representatives, employees, general contractors or subcontractors. The team must provide current certificates of insurance and endorsements as evidence of coverage.

Unless otherwise approved by OCII Staff in their sole discretion, the selected development team must maintain insurance with an insurance company that has an A.M. Best rating of A:VII with at least the following coverages and limits:

- **Commercial General Liability:** no less than $5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Policy must list Successor Agency as an additional insured.
As a preferred alternative, the development team may provide a Consolidated Insurance Program (CIP or “Wrap Up”) covering its interest, OCCI’s and City’s interest and the General and Subcontractors of every tier with minimum limits of no less than $10,000,000 per occurrence. In any event the insurance must provide ten years of products and completed operations coverage beyond completion of construction.

- **Automobile Liability:** no less than $1,000,000 per accident for bodily injury and property damage. Policy must list OCCI as an additional insured.

- **Workers’ Compensation and Employer’s Liability:** Workers’ Compensation as required by the State of California and Employer’s Liability with statutory limits of no less than $1,000,000 for bodily injury by accident and no less than $1,000,000 per person and in the annual aggregate for bodily injury by disease.

- **Professional Liability (Errors and Omissions):** no less than $5,000,000 each claim/$5,000,000 policy aggregate covering all negligent acts, errors and omissions of the development team members, including all architects, engineers and surveyors. Insurance must be maintained and evidence of insurance must be provided for at least ten years after completion of construction.

Additional types of insurance that may be required by OCCI at a later date include, but are not limited to, latent defects, builder’s risk, and performance bonds. The insurance requirements may be modified by OCCI Staff in their sole discretion.

**J. INDEMNITY**

Commencing on the date the Commission approves the ENA and for the life of the Project, the selected development team shall defend, hold harmless and indemnify OCCI, the City, and their respective commissioners, members, officers, agents and employees of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising out of or connected with the performance of the ENA and any of the contractor’s operations or activities related thereto, excluding the willful misconduct or the gross negligence of the person or entity seeking to be defended, indemnified or held harmless.
K. LIMITATIONS ON CONTRIBUTIONS

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

Finally, each development team member agrees to provide to OCII the names of each member of its board of directors; its chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent; any subcontractor listed in the bid or contract; and any committee that is it sponsors or controls.
SECTION 7

ADDITIONAL TERMS AND CONDITIONS

A. Development Team Expenses 7.1
B. Development Team’s Responsibility 7.1
C. Agency Non-Responsibility 7.1
D. Geotechnical Investigations 7.1
E. Environmental Review Approvals 7.2
F. Agency Right to Modify or Suspend RFP 7.2
G. Claims Against the Agency 7.2
A. DEVELOPMENT TEAM EXPENSES

Development teams responding to this RFP do so at their own expense. OCII will not reimburse development teams for any costs related to this RFP or subsequent negotiations.

B. DEVELOPMENT TEAM’S RESPONSIBILITY

The development team will be solely responsible for construction of all improvements according to the City approved construction documents, and in accordance with all applicable building codes. This includes, but is not limited to, all on-site improvements and any changes from existing conditions, including site remediation, underground utilities, street lighting, curbs, gutters, street trees and sidewalks. The development team will be solely responsible for all transactional costs and closing requirements, including, but not limited to, title insurance, escrow fees, parcel maps, etc.

C. SUCCESSOR AGENCY NON-RESPONSIBILITY

Block 8 will be conveyed to the selected development team in an “as is” condition without warranties. The Successor Agency has no obligation to perform any site remediation, demolish any improvements on the site, remove, relocate or install utilities, complete on-site or off-site preparation work or improvements, or make any changes whatsoever to existing conditions prior to conveyance of Block 8 to the Lead Developer.

D. GEOTECHNICAL INVESTIGATIONS

All geotechnical investigations must be conducted by a licensed geotechnical engineer, retained by the development team, to investigate and supervise excavation and recompaction as necessary, which investigations may only occur upon the issuance of a Permit to Enter by the Successor Agency or the then-owner of the Site.
E. ENVIRONMENTAL REVIEW APPROVALS

The selected development team will be responsible for conducting all environmental review approvals necessary to move forward with the development of the Site.

F. RIGHT TO MODIFY OR SUSPEND RFP

The Successor Agency reserves the right at any time and from time to time, and for its own convenience, in its sole and absolute discretion, to modify, suspend, or terminate any and all aspects of the selection process, including, but not limited to this RFP and all or any portion of the developer selection process from the date on which this RFP is issued until the parties approve a DDA; to obtain further information from any respondent; to waive any defects as to form or content of the RFP or any other step in the selection process; to reject any and all responses submitted; to reissue the RFP; to procure the desired services by any other means or not proceed in procuring the services; to negotiate with any, all, or none of the respondents to this RFP as to fees, scope of services, or any other aspect of the RFP or services; to negotiate and modify any and all terms of an agreement; and to accept or reject any respondent for exclusive negotiations.

G. CLAIMS AGAINST THE SUCCESSOR AGENCY OR CITY

By responding to this RFP, each member of each development team waives any claim, liability or expense whatsoever against the Successor Agency, the City and their respective officers, commissioners, employees and agents by reason of any or all of the following: any aspect of this RFP, the selection process or any part thereof, any abnormalities or defects in the selection process, the failure to enter into any agreement, any statements, representations, acts or omissions of the Successor Agency or the City, the exercise of any discretion set forth or concerning any of the foregoing, and any other matters arising out of all or any of the foregoing.
### ATTACHMENTS

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<tr>
<th>Attachment</th>
<th>Description</th>
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</tr>
<tr>
<td>Attachment 2</td>
<td>2013 Maximum Monthly Rent by Unit Type</td>
</tr>
<tr>
<td>Attachment 3</td>
<td>Mayor’s Office of Housing and Community Development Policy on Development Fees for Tax Credit Projects</td>
</tr>
<tr>
<td>Attachment 4</td>
<td>Policy on the Development and Funding of Commercial Space in MOH Funded Housing Developments</td>
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<td>Attachment 5</td>
<td>Mayor’s Office of Housing and Community Development Underwriting Guidelines</td>
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<td>RFP Registration Form</td>
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<td>Successor Agency Form SFRA 6004</td>
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<td>Attachment 9</td>
<td>Property Management Experience Form</td>
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<td>Attachment 10</td>
<td>CTCAC Development Budget</td>
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<td>Attachment 11</td>
<td>Statement of Compliance with Successor Agency Policies</td>
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<td>Attachment 12</td>
<td>Certification of Applicant</td>
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<tr>
<td>Attachment 15</td>
<td>Declaration of Nondiscrimination in Contracts Instructions and Declaration Form</td>
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<td>Attachment 16</td>
<td>Minimum Compensation Policy and Declaration</td>
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<td>Attachment 17</td>
<td>Health Care Accountability Policy and Declaration</td>
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<td>Attachment 18</td>
<td>Construction Workforce Agreement</td>
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<td>Attachment 19</td>
<td>Permanent Workforce Agreement</td>
</tr>
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<td>Attachment 20</td>
<td>Prevailing Wage Policy</td>
</tr>
<tr>
<td>Attachment 21</td>
<td>Folsom –Fremont Off-Ramp Reconfiguration Drawings</td>
</tr>
</tbody>
</table>
**ATTACHMENT 1**

**2013 MAXIMUM INCOME BY HOUSEHOLD SIZE**

Derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco

<table>
<thead>
<tr>
<th>Income Definition</th>
<th>1 Person</th>
<th>2 People</th>
<th>3 People</th>
<th>4 People</th>
<th>5 People</th>
<th>6 People</th>
<th>7 People</th>
<th>8 People</th>
<th>9 People</th>
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<tbody>
<tr>
<td>20% of Median</td>
<td>$14,150</td>
<td>$16,200</td>
<td>$18,200</td>
<td>$20,250</td>
<td>$21,850</td>
<td>$23,500</td>
<td>$25,100</td>
<td>$26,700</td>
<td>$27,550</td>
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<td>25% of Median</td>
<td>$17,700</td>
<td>$20,250</td>
<td>$22,800</td>
<td>$25,300</td>
<td>$27,350</td>
<td>$29,350</td>
<td>$31,400</td>
<td>$33,400</td>
<td>$34,400</td>
</tr>
<tr>
<td>30% of Median</td>
<td>$21,250</td>
<td>$24,300</td>
<td>$27,350</td>
<td>$30,350</td>
<td>$32,800</td>
<td>$35,200</td>
<td>$37,650</td>
<td>$40,100</td>
<td>$41,300</td>
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<tr>
<td>40% of Median</td>
<td>$28,350</td>
<td>$32,400</td>
<td>$36,450</td>
<td>$40,500</td>
<td>$43,700</td>
<td>$46,950</td>
<td>$50,200</td>
<td>$53,450</td>
<td>$55,050</td>
</tr>
<tr>
<td>50% of Median</td>
<td>$35,450</td>
<td>$40,500</td>
<td>$45,550</td>
<td>$50,600</td>
<td>$54,650</td>
<td>$58,700</td>
<td>$62,750</td>
<td>$66,800</td>
<td>$68,850</td>
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<tr>
<td>55% of Median</td>
<td>$38,950</td>
<td>$44,500</td>
<td>$50,100</td>
<td>$55,650</td>
<td>$60,100</td>
<td>$64,550</td>
<td>$69,050</td>
<td>$73,500</td>
<td>$75,700</td>
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<tr>
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<td>$42,500</td>
<td>$48,550</td>
<td>$54,650</td>
<td>$60,700</td>
<td>$66,600</td>
<td>$70,450</td>
<td>$75,300</td>
<td>$80,150</td>
<td>$82,600</td>
</tr>
<tr>
<td>70% of Median</td>
<td>$49,600</td>
<td>$56,650</td>
<td>$63,750</td>
<td>$70,850</td>
<td>$76,500</td>
<td>$82,200</td>
<td>$87,850</td>
<td>$93,500</td>
<td>$96,350</td>
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<td>72% of Median</td>
<td>$51,000</td>
<td>$58,300</td>
<td>$65,600</td>
<td>$72,850</td>
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<td>$84,550</td>
<td>$90,350</td>
<td>$96,200</td>
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<tr>
<td>80% of Median</td>
<td>$56,700</td>
<td>$64,750</td>
<td>$72,900</td>
<td>$80,950</td>
<td>$87,450</td>
<td>$93,900</td>
<td>$100,400</td>
<td>$106,900</td>
<td>$110,100</td>
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<tr>
<td>90% of Median</td>
<td>$63,750</td>
<td>$72,850</td>
<td>$82,000</td>
<td>$91,100</td>
<td>$98,350</td>
<td>$105,650</td>
<td>$112,950</td>
<td>$120,250</td>
<td>$123,900</td>
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<tr>
<td>100% of Median</td>
<td>$70,850</td>
<td>$80,950</td>
<td>$91,100</td>
<td>$101,200</td>
<td>$109,300</td>
<td>$117,400</td>
<td>$125,500</td>
<td>$133,600</td>
<td>$137,650</td>
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<td>110% of Median</td>
<td>$77,950</td>
<td>$89,050</td>
<td>$100,200</td>
<td>$111,300</td>
<td>$120,250</td>
<td>$129,150</td>
<td>$138,050</td>
<td>$146,950</td>
<td>$151,400</td>
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<tr>
<td>120% of Median</td>
<td>$85,000</td>
<td>$97,150</td>
<td>$109,300</td>
<td>$121,450</td>
<td>$131,150</td>
<td>$140,900</td>
<td>$150,600</td>
<td>$160,300</td>
<td>$165,200</td>
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<td>135% of Median</td>
<td>$95,650</td>
<td>$109,300</td>
<td>$123,000</td>
<td>$136,600</td>
<td>$147,550</td>
<td>$158,500</td>
<td>$169,450</td>
<td>$180,350</td>
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<tr>
<td>140% of Median</td>
<td>$99,200</td>
<td>$113,350</td>
<td>$127,550</td>
<td>$141,700</td>
<td>$153,000</td>
<td>$164,350</td>
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<td>$106,300</td>
<td>$121,450</td>
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<td>$176,100</td>
<td>$188,250</td>
<td>$200,400</td>
<td>$206,500</td>
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</tbody>
</table>

**San Francisco Mayor's Office of Housing**

**Notes:**

2. Figures derived by SF MOH from HUD’s 2012 Median Family Income for a 4 person Household for San Francisco (“HMFA”), unadjusted for high housing costs, and are rounded to the nearest $50.
3. Additional information on HUD’s defined income limits can be found at: [http://www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)
4. For developments created under the San Francisco Inclusionary Housing Program, this data should be used only for projects that received their first site or building permit before September 9, 2006.

**Effective Date: January 1, 2013**
ATTACHMENT 2

2013 MAXIMUM MONTHLY RENT BY UNIT TYPE

Derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco

<table>
<thead>
<tr>
<th>Utility Allowances: Natural Gas Heating/Cooking &amp; Other Electric</th>
<th>Studio</th>
<th>1 BDRM</th>
<th>2 BDRM</th>
<th>3 BDRM</th>
<th>4 BDRM</th>
<th>5 BDRM</th>
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<tr>
<td>As published by the San Francisco Housing Authority on 7/01/11</td>
<td></td>
<td></td>
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<tr>
<td>20% of Median</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>With Utilities</td>
<td>$354</td>
<td>$405</td>
<td>$455</td>
<td>$506</td>
<td>$546</td>
<td>$588</td>
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<tr>
<td>Without Utilities</td>
<td>$330</td>
<td>$371</td>
<td>$408</td>
<td>$439</td>
<td>$453</td>
<td>$477</td>
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<tr>
<td>25% of Median</td>
<td></td>
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<td></td>
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<tr>
<td>With Utilities</td>
<td>$443</td>
<td>$506</td>
<td>$570</td>
<td>$633</td>
<td>$684</td>
<td>$734</td>
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<tr>
<td>Without Utilities</td>
<td>$419</td>
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<td>$523</td>
<td>$566</td>
<td>$591</td>
<td>$623</td>
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<td></td>
</tr>
<tr>
<td>With Utilities</td>
<td>$495</td>
<td>$566</td>
<td>$636</td>
<td>$708</td>
<td>$764</td>
<td>$820</td>
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<tr>
<td>Without Utilities</td>
<td>$458</td>
<td>$514</td>
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<td>$627</td>
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<tr>
<td>40% of Median</td>
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<tr>
<td>With Utilities</td>
<td>$709</td>
<td>$810</td>
<td>$911</td>
<td>$1,013</td>
<td>$1,093</td>
<td>$1,174</td>
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<tr>
<td>Without Utilities</td>
<td>$685</td>
<td>$776</td>
<td>$864</td>
<td>$946</td>
<td>$1,000</td>
<td>$1,063</td>
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<tr>
<td>50% of Median</td>
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<tr>
<td>With Utilities</td>
<td>$886</td>
<td>$1,013</td>
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<tr>
<td>Without Utilities</td>
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<tr>
<td>60% of Median</td>
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<tr>
<td>With Utilities</td>
<td>$1,063</td>
<td>$1,214</td>
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<td>$1,518</td>
<td>$1,640</td>
<td>$1,761</td>
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<tr>
<td>Without Utilities</td>
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<td>$1,180</td>
<td>$1,319</td>
<td>$1,451</td>
<td>$1,547</td>
<td>$1,650</td>
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<tr>
<td>70% of Median</td>
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<td></td>
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<tr>
<td>With Utilities</td>
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<td>Without Utilities</td>
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<tr>
<td>75% of Median</td>
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<td>Without Utilities</td>
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<td>$1,957</td>
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<td>$2,237</td>
</tr>
<tr>
<td>90% of Median</td>
<td></td>
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<td></td>
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<td>100% of Median</td>
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| Source: HTTP://WWW.HUD.GOV/OFFICES/CPD/AFFORDABLEHOUSING/PROGRAMS/HOME/LIMITS/RENT/2012/CA.PDF |

Fair Market

<table>
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<tr>
<th>Studio</th>
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<th>2 BDRM</th>
<th>3 BDRM</th>
<th>4 BDRM</th>
<th>5 BDRM</th>
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Source: HUD, effective 11/13/2012

SFHA Payment Standard

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<td>$2,572</td>
<td>$2,957</td>
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Source: SFHA, effective 12/01/2011

Assumption Notes:
1. Rents Calculated at 30% of corresponding monthly income limit amount.
2. Utility allowances were determined by the San Francisco Housing Authority, effective 7/1/2011. For more information, see http://sfha.org/SFHA_-_HUD_S8_Form_52667_Utility_Allowance_2012.pdf and http://www.hud.gov/offices/pd/lp/allowances.cfm.
3. Occupancy Standard is one person per bedroom plus one additional person.
4. For developments created under the San Francisco Inclusionary Housing Program, this data should be used only for projects that received their first site or building permit before September 9, 2006.

Effective Date: January 1, 2013

Block 8: Transbay Redevelopment Project Area
ATTACHMENT 3

MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT POLICY
ON DEVELOPMENT FEES FOR TAX CREDIT PROJECTS
EFFECTIVE DATE: November 2, 2007

BACKGROUND

The primary goals of this developer fee policy for low-income housing tax credit projects in San Francisco are: (1) to fairly compensate developers of such projects for managing the overall development of such projects; (2) to provide financial resources to enable developers to meet their financial obligations as general partner of a tax credit limited partnership; (3) to hold developers accountable for their performance while providing incentives for successful and timely completion of such developments; (4) to provide financial resources for successful developers to supplement their primary mission with other housing related and community development activities; and (5) to promote the long term sustainability of such organizations.

The Mayor’s Office of Housing (“MOH”) will permit housing developers to include development fees as part of an approved development budget for an eligible tax credit project receiving MOH capital funding. Approved developer fees will be earned based on a performance schedule agreed upon by MOH and the developer; and a portion of the budgeted developer fees shall be available to cover cost overruns associated with the project.

DEFINITIONS:

“Affordable housing” means rental housing affordable to households earning up to 60% of San Francisco median income adjusted solely for household size.

“Preservation of At-Risk affordable housing” means the acquisition and re-capitalization of housing with affordability restrictions threatened by expiration or termination with the intent to guarantee that the units will be retained for affordable housing for at least 55 years into the future and serve households with incomes not exceeding 60% of the respective household annual median income.

“Project close-out” means that all of the following conditions have been met: (1) all project construction or rehabilitation has been completed; (2) the borrower has submitted all documents, reports and forms as required by the Loan/Grant Agreement, including a copy of the 8609 report submitted to TCAC; (3) the City has reviewed and approved borrower’s project completion reports and documents; and (4) 100% lease-up.

“Recapitalization Projects” are development activities involving the investment of new public capital that is used to maintain or improve the long-term habitability or affordability of existing non-profit owned affordable housing including extending the affordability restrictions for an additional 55 years.

“Site Acquisition” means escrow closing on purchase or execution of MOH-approved lease of development property.

“Substantial Rehabilitation” means the average hard construction cost per unit is at least $50,000 per unit.

“Units” means a complete apartment, a bedroom in the case of a group home residence, or a single room occupancy unit with new or preserved affordability restrictions of at least 55 years.
ELIGIBILITY

Projects that are eligible for a developer fee include all MOH-funded projects that are financed in part through the Low-Income Housing Tax Credit Program.

The acquisition or transfer of an existing affordable housing project previously funded by MOH or the San Francisco Redevelopment Agency without substantial rehabilitation work and/or without an extension of the affordability term is not eligible for a developer fee.

Both non-profit and for-profit development corporations in good standing with the California Secretary of State are eligible for developer fees. If the developer is a limited equity partnership or limited liability corporation, it must include a nonprofit organization acting as co-managing general partner. The nonprofit owner or partner must be a 501(c)3 corporation with the provision of developing affordable housing as part of its Articles of Incorporation.

MAXIMUM ALLOWABLE DEVELOPER FEES FOR 100% NEWLY AFFORDABLE AND AT-RISK PROJECTS

The maximum allowable developer fee (the “Maximum Fee”) for projects in which all units are newly affordable units shall be equal to the maximum developer fee allowed by the California Tax Credit Allocation Committee (CTCAC) for 9% tax credit projects (whether the project is using 9% or 4% tax credits) as may be modified by the CTCAC, regardless of the source of the fee. The Maximum Fee shall be comprised of a Project Management Fee and an At-Risk Fee.

MAXIMUM ALLOWABLE DEVELOPER FEES FOR RECAPITALIZATION PROJECTS

The maximum fee for Recapitalization Projects (the “Recapitalization Maximum Fee”) shall not exceed twenty five percent (25%) of the Maximum Fee, all of which shall be considered a Project Management Fee. In the event that a Recapitalization Project has less that the allowable tax credit basis, MOH will permit an increase in the Developer Fee on the condition that any Fee in excess of the Recapitalization Maximum Fee will be invested in the project. No At-Risk Fee will be allowed for Recapitalization Projects unless newly affordable units are being added to an existing affordable building as described below.

PROJECT MANAGEMENT FEE

One-half of the Maximum Fee or the full Recapitalization Maximum Fee shall be paid as a Project Management Fee and disbursed according to the achievement of certain agreed upon development milestones to be negotiated on a project-by-project basis. FOR EXAMPLE: If the Maximum Fee is $2,000,000:

<table>
<thead>
<tr>
<th>% of Fee</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>At Acquisition or closing of preconstruction financing from MOH:</td>
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</tr>
<tr>
<td>During or at end of Predevelopment:</td>
<td>35%</td>
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<tr>
<td>Interim payment: Submission of building/site permit application</td>
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</tr>
<tr>
<td>Interim payment: Submission of TCAC/CIDLAC application</td>
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</tr>
<tr>
<td>Interim payment: Approval of gap financing</td>
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<tr>
<td>During or at end of Construction:</td>
<td>35%</td>
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<tr>
<td>Interim payment: completion of 50% of construction/ rehabilitation</td>
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</tr>
<tr>
<td>Interim payment: Temporary Certificate of Occupancy</td>
<td></td>
</tr>
<tr>
<td>Interim payment: 95% lease-up</td>
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<tr>
<td>At Project Close Out:</td>
<td>15%</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
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</table>
AT-RISK FEE
The remaining one-half of the Maximum Fee is at-risk for costs exceeding final approved budget at commitment of gap financing by MOH.

Recapitalization Projects are not eligible for the At-Risk Fee unless a) no developer fee has been received at any time by the owner or an affiliate of the owner for the units being re-capitalized; or b) the Recapitalization Project includes the addition of new affordable units to the building. In the event that new units are being added, the At-Risk Fee shall be equal to two times the percentage increase in total affordable units in the development times the Recapitalization Maximum Fee.

WAIVERS OR MODIFICATIONS OF THIS POLICY
The Citywide Affordable Housing Loan Committee may recommend waiver or modification of any portion of this policy when it determines that such waiver or modification is necessary to assure the project’s feasibility. All such recommendations regarding implementation of this policy are subject to the Mayor’s approval in his or her sole discretion.

If the source of the development fee is CDBG or HOME funds, the developer fee is considered to be program income for the respective funding program. The nonprofit developer shall provide an annual report to MOH on the use of such fees. In the event the nonprofit is a funding recipient of CDBG administrative funding, the use of the developer fees shall be included in the nonprofit's annual CDBG/OMB audit report as applicable.

IMPLEMENTATION OF POLICY
This policy applies to any development that has not received its gap financing commitment from MOH by the effective date of the Policy.
A. BACKGROUND

In San Francisco developers of affordable housing are often presented with the opportunity or requirement to create or acquire non-residential commercial space simultaneously with the housing development. The inclusion of commercial space in appropriately zoned residential developments is consistent with the City’s commitment to support mixed-use development with adequate social infrastructure near transit lines. Among the challenges faced by housing developers in the City is how to finance the cost of developing such commercial space.

MOH encourages the development of commercial space in MOH-funded affordable housing where permitted as long as it does not significantly reduce the number of affordable housing units that can be built or otherwise materially increase the cost of developing the housing.

B. DEFINITIONS:

“Commercial Space” is defined as all non-residential space within the envelope of a Housing Development that is a structurally integral part of the building and is or can be leased or sold to a third-party except that non-residential space used by the developer primarily for the benefit of the building’s tenants shall not be considered Commercial Space.

“Commercial Shell” is defined as all components of an unfinished Commercial Space. Sheetrocked and fire-taped walls and ceiling, rough electrical and plumbing systems and stub-outs, doors and windows, unfinished flooring, and other items that may be required in order to obtain a temporary certificate of occupancy for the Housing Development shall be considered part of the Commercial Shell rather than Tenant Improvements. The Commercial Shell may include utility light fixtures, fire-sprinkler system, smoke detectors, operable water, gas and sewer lines, standard bathroom plumbing fixtures, and other items associated with a ready-to-lease but unfinished commercial space that are an integral part of the Housing Development. The Commercial Shell may only include elements that might otherwise be considered Tenant Improvements as defined herein if those elements must be constructed while the housing portion of the development is built (e.g. commercial kitchen flues that must be built into chases that pass through residential spaces above).

“Housing Development” is defined as the new construction or acquisition/rehabilitation of affordable housing that is or has been financed by MOH housing capital subsidies.

“Public Benefit Purposes” are activities or programs that primarily benefit low-income persons, are implemented by one or more non-profit 501(c)3 public benefit organizations, and have been identified by a City agency or a community planning process as a priority need in the neighborhood of the proposed Housing Development. Examples include childcare centers, adult day health centers, low-income-serving nonprofit office spaces, public libraries and supportive services or rent subsidies for residents of the Housing Development.

“Surplus Cash” is the excess of commercial income over the sum of the commercial debt service, operating expenses, management fees and reserve deposits as approved by MOH.
“Tenant Improvements” are improvements intended to make the Commercial Shell ready for occupancy by a tenant, including any customized fixtures or any other improvements needed to adapt the space for a specific tenant’s use.

NOTE: Tenant Improvements are generally not an eligible use of MOH housing funds. However, other project financing sources, such as tax-exempt bond financing and private mortgages, may be used to pay for tenant improvements so long as the following conditions are met:

- Such use conforms to all applicable regulatory restrictions of the proposed financing source;
- All costs associated with the Commercial Space and Tenant Improvements, including prorated architectural and engineering services, permits and fees, and project and construction management costs are segregated from the housing budget;
- Commercial income fully services that portion of the non-MOH debt attributable to the TIs as well as all commercial operating expenses, including brokers’ fees, insurance, taxes, replacement reserves, and property management expenses.

TIs may also be financed indirectly through reasonable rent concessions given to commercial tenants. Such rent concessions are subject to approval by MOH.

C. ELIGIBILITY CRITERIA FOR INCLUDING COMMERCIAL SPACE IN MOH-FUND-ED HOUSING DEVELOPMENTS

Whether or not the Commercial Shell is financed with MOH funds all of the following criteria must be met if commercial space is to be included in a Housing Development:

1. The development of the Commercial Space must not materially increase the cost of the Housing Development. Any significant additional costs associated with modifying the housing design or building systems, including underground parking, in order to accommodate the commercial space must be financed by non-housing sources except to the extent that the development complies with the Conditions Associated with MOH Investment in the Commercial Shell described below.

2. The use of the Commercial Space must be consistent with all applicable redevelopment plans and local planning and building codes. The uses must also be reasonably compatible with the design and purpose of the Housing Development. Incompatible uses shall include bars, liquor stores, or other businesses that cater exclusively to adults and that may lead to problems of public safety and welfare.

3. The Housing Development regulatory agreement must give MOH the right to approve all commercial tenant leases and the right of first refusal regarding sale of the Commercial Space for the length of the agreement, which approval shall not be unreasonably denied.

4. If there is an underlying City or Redevelopment Agency lease of the land to the developer, the lease must require that the Commercial Space be used for Public Benefit Purposes commensurate with the value of any discounted lease payment.
D. CONDITIONS ASSOCIATED WITH MOH INVESTMENT IN THE COMMERCIAL SHELL

As permitted by the source of funds, MOH housing funds may be used to pay for the reasonable costs of acquiring, designing and rehabilitating or constructing a Commercial Shell if the following conditions are met:

1. Gap Financing: MOH funds must be used as gap funds after all other financing sources prove to be unavailable including debt from conventional lending institutions, financing from other government agencies, and private foundation grants.

2. Determining Whether MOH Funds have been Invested in Commercial Space: For purposes of this policy, the use of MOH funds for any portion of the development of the Commercial Space including hard construction costs, applicable soft costs and site acquisition costs shall be considered invested in the Commercial Space.

3. Public Benefit Purpose: For the length of the Housing Development regulatory agreement, the Commercial Space must be used for a Public Benefit Purpose or all Surplus Cash generated by use of the Commercial Space must be directed toward a Public Benefit Purpose or toward repayment of MOH's investment in the development of the Housing Development and Commercial Space.

4. Applicability of Residual Receipts Policy: Until such time as MOH's investment in the Housing Development and the Commercial Space has been repaid, all Surplus Cash generated by the Housing Development and the Commercial Space shall be subject to the City's Policy on the Use of Residual Receipts (effective 2/28/00).

5. Restrictions Following Full Repayment: Once MOH's investment in the development of both the Housing Development and Commercial Space is repaid and for the length of the Housing Development regulatory agreement, all Surplus Cash shall continue to be subject to the restrictions on distributions and the use of program income contained in that agreement.

6. Funding Source Restrictions: The use of MOH funds shall be consistent with all applicable requirements associated with the source of those funds, including MOH reporting and federal program income reporting.

E. COMMERCIAL SPACE FINANCED SEPARATELY WITHOUT MOH FINANCING:

As long as the entire Commercial Space is financed wholly and separately without the use of MOH housing funds at any stage, complies with the eligibility criteria described in Section C. above, and pays its share of operating expenses, MOH will not restrict the rent levels or make any claim on the cash flow generated by the use of such Commercial Space. Non-MOH financing must pay for all costs associated with the development of the Commercial Space, including costs directly attributable to the Commercial Shell such as drywall, fixtures or doors and windows, costs shared with the Housing Development and pro-rated on the basis of the total square feet of the Commercial Space as a part of the Housing Development, such as acquisition costs, foundation costs and shared architectural services, and any significant additional costs associated with modifying the housing design or building systems in order to accommodate the commercial space, such as the marginal cost of creating underground parking which would otherwise be provided above ground.

F. APPLICABILITY AND EFFECTIVE DATE:

This policy will become effective on _________________, and will apply to all developments that have not yet received an approval recommendation from the Citywide Affordable Housing Loan Committee for their final project development financing.
ATTACHMENT 5
MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
UNDERWRITING GUIDELINES

The following guidelines are intended to assist applicants for capital financing to prepare financing requests to the Mayor’s Office of Housing (MOH) or the San Francisco Redevelopment Agency (SFRA). These guidelines will also be used by MOH or SFRA staff for purposes of evaluating funding requests and presenting them to the Citywide Affordable Housing Loan Committee for consideration. The Loan Committee maintains the right to set final terms and conditions for commitment of funds based on the actual circumstances of each project. These guidelines are subject to change without notice.

I. GENERAL FINANCING TERMS

A. Term

1. **Deferred Loan or Grant Term:** 40-75 years, depending on borrower’s request and source of funds
2. **Regulatory Agreement Term:** 55 years minimum, 75 years for HOME regardless of repayment unless tax credit project, then 55 years for HOME
3. **Amortized Loan Term:** Match to Section 8 contract term (e.g. 5 years for typical Shelter Plus Care contract, 10 years for SFHA Section 8 contract)

B. Interest Rate

1. **Deferred Loan Interest Rate**
   - Minimum: 0% simple interest
   - Standard Rate: 3% simple interest
   - Maximum: 30-year Treasury + 1%, compounded
     (To be determined based on borrower’s ability to repay.)

2. **Amortized Loan Interest Rate**
   - Interest Rate: Like-term Treasury plus one percent, rate set one week prior to Citywide Loan Committee review
   - Conversion: If rent/operating-subsidy terminated, then City amortized loan converts to 3% interest, repayable from residual receipts with principal and interest due at term

3. **Predevelopment Loan Interest Rate**
   - Minimum: 0% simple interest
   - Standard Rate: 3% simple interest
   - Maximum: May be set at a rate appropriate to accommodate tax credit loss requirements for the project.
     (To be determined based on borrower’s request and ability to repay.)

C. Repayment

1. **Default Loan Repayment:** From residual receipts with principal and interest due at term.
   (See separate Residual Receipts Policy.)

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1  For developments with project based rent subsidies that can support scheduled debt payments. If rent-subsidy is terminated amortized loan converts to deferred loan.
II. RESIDENTIAL DEVELOPMENT PROFORMA ASSUMPTIONS

A. Debt Service Coverage Ratio (DSC)

1. Minimum: 1.10:1 except when CalHFA has approved a 1.05:1 DSC.
3. Calculation Method: DSC should be calculated after accounting for reserve deposits. In the case of subordinate amortized loans, DSC should be calculated using cash flow remaining after debt service on 1st mortgage. The goal in all cases is to maximize the amount of leveraged debt.

B. Reserves

1. Capitalized Operating Reserves: 25% of budgeted 1st full year operating expenses (including debt service, if any) in interest-bearing account with provision that annual deposits must also be made if the balance drops below the original amount. [Note: HOME and CDBG funds cannot be used for capitalized operating reserves.]
2. Operating Reserve Deposits: None unless balance drops below 25% of prior year’s operating expenses (including debt service, if any). Any such required payments would be made from cash flow that remains after all other required payments are made (e.g. debt service, other reserve payments, etc.). The rate of replenishment would be 1/12th of 3% of the prior year’s operating expenses (including debt service payments).
3. Capitalized Replacement Reserves
   - (New Construction): None
   - (Acquisition Rehab): $1,000 per unit, including existing reserve, if any, at time of acquisition.
4. Replacement Reserve Deposits
   - (New Construction): Lesser of 0.6% of unit construction cost, defined as all hard construction costs excluding cost of site work and podium foundations but including construction contingency, or the following amounts (expressed as per unit per year). After the first 10-years of operation, the sponsor may request adjustments to the above amounts every five (5) years based on a 20-year capital needs assessment (CNA).

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<th>Senior</th>
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<tr>
<td>100+</td>
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<td>300</td>
<td>250</td>
</tr>
</tbody>
</table>

   - (Acquisition Rehab): The higher of the amount needed according to an approved 20-year CNA or the amounts listed in the table above as permitted by the available cash flow. May be updated every three (3) years based on a revised CNA acceptable to City/Agency.

5. Rent Reserve Deposits
   - (Shelter Plus Care): Borrower may request funding of a Rent Subsidy Reserve that would cover a 12-month transition to 40% AMI Underlying Rents.
   - Section 8 Reserve: None allowed for contracts for 10 years or more, except if required by DHCD/MHP and tax credit investor.
C. Fees
1. **Developer Fee**: see separate Developer Fee Policy.
2. **Partnership Management Fee**: $17,500/year, 3% annual growth.
3. **Asset Management Fee**: see separate Asset Management Fee Policy.
4. **Construction Management Fee**: A maximum of $2,000/month up to $20,000 to provide for periodic plan review, cost estimate analysis, permit expediting, bid analysis and value engineering during design development and construction document preparation plus up to $3,500 per month for the scheduled duration of construction. The fee may be increased if the form of GC contract is stipulated sum being awarded through an open and competitive process and a CM is used for more extensive design consultation.

D. Contingencies
1. **Bid Contingency (All Projects)**: 5% Bid Contingency to be removed at the earlier of construction contract signing or 30 days prior to construction start.
2. **Construction Contingency**
   - Purpose: Contingency for unforeseen conditions, minor errors and omissions and voluntary owner upgrades. Any contingency remaining after completion of construction must be returned to the City.
   - New Construction: 5% of construction contract.
   - Rehabilitation: 15% of construction contract.
   - Limits on Voluntary Owner Upgrades: Voluntary owner upgrades are limited to an aggregate amount that does not exceed the amount returned to the City, if any.
3. **Soft Cost Contingency**: 10% of soft costs, excluding developer and administrative fees, construction loan interest, and reserves for projects costing $5 million or more. May be increased for smaller projects.

E. Furnishings
1. **Unit Furnishings**: Not a permitted use of MOH/SFRA funds unless housing is designed to serve extremely low income or homeless households. Assume $2,000 per unit for SROs and group homes, $1,500 for family units, and $1,000 per unit for all others.
2. **Common Area Furnishings**: For new construction, assume budget equal to $1,000 per unit. For rehab, must be based on actual need but not to exceed above amount.

III. RESIDENTIAL OPERATING PRO-FORMA ASSUMPTIONS

A. Vacancy Allowance:
   - Use TCAC underwriting standards except for projects with rent subsidy contracts of five (5) or more years.

B. Increases in Gross Income
   - 2.5% annually, or as modified by TCAC.

C. Increases in Operating Expenses
   - 3.5% annually, or as modified by TCAC.
IV. OTHER UNDERWRITING GUIDELINES

A. Architect and Engineering Fees:
Basic Services for architect contracts is defined in MOH and SFRA’s Guidelines for Architect and Engineering Basic Services attached hereto. Architect contracts should be full-service and include all consultants except for those excluded in MOH/ SFRA’s guidelines and design/build consultants and use standard AIA forms (or approved equivalent). Owner addenda are encouraged, including requiring the architect to design to a specified construction budget. Contracts should be signed as early in the process as possible and no later than the completion of schematic design. Additional services will be allowed if there are significant changes in the A/E scope. Fees for Architecture/Engineering services should follow the schedule set forth in the Guidelines for Architect and Engineering Basic Services’ Exhibit A.

B. General Contractor Fees/Price
1. Selection of contractor by RFP: When the developer selects the contractor through negotiated bid process, the RFP should require competitive cost proposals that specify Overhead, Profit and General Conditions percentages and identify all schedule of values line items that are excluded from these categories. The RFP should also specify the contractor’s fee for pre-construction services. The fee is a criterion, but not the sole criterion for selection. Selection process and selection results must by approved by City/Agency with respect to MBE/WBE participation, wage requirements and proposed contract price.

2. Overhead, Profit and General Conditions Price: For New Construction, these costs may not exceed 14% of the Contract Price (or as modified by TCAC); for Rehabilitation, developer should compare these costs to comparable other recent developments.

3. Contractor’s Contingency: Should be considered part of the general contractor’s fee and included in the “Overhead, Profit and General Conditions Price”. Not permitted if OH&P and General Conditions exceed 14%.

4. Subcontractor’s Prices: When determining final Contract Price and identifying dollar amounts of Contractor’s fees, scheduled values should reflect when appropriate, actual subcontractor prices without any general contractor’s markup. City/Agency reserve the right to review all bids.

C. Project Management Capacity:
Developer’s project manager must have experience with at least one comparable, successfully completed project or be assisted by a consultant or other staff person with greater experience and adequate time to commit. When using a consultant, the consultant’s resume should demonstrate that the consultant has successfully completed managing all aspects of at least two (2) comparable development projects in the recent past.

D. Construction Management:
Developer must identify specific staff or consultant(s) who will provide construction management functions on behalf of the owner, including: permit applications and expediting, cost analysis, completion evaluations, change order evaluations, scope analysis and schedule analysis.
V. COMMERCIAL PROFORMA ASSUMPTIONS

A. Vacancy Allowance
   • Assume 40% for first year. Assume 7% annual loss after first year for stronger retail areas, 10-20% for weaker areas. When leases are in place, these assumptions may be revised.

B. Debt Service Coverage
   • Minimum 1.20:1 unless master lease. Maximum 1.40:1. Goal is to maximize commercial (non-City/Agency) debt borrowed against commercial income.

C. Income/Expense Growth Rates
   • Assume similar to residential.

D. Commercial Reserve Deposits
   Should be funded in addition to residential reserves if significant amount of commercial space is leased to third party.

   1. Tenant Improvements Reserve: Under Negotiation (see attached)
   2. Replacement Reserve
      • Initial Deposit funded at 0.6% of shell replacement cost. Annual Deposits are not applicable.
   3. Operating Reserve
      • None recommended for NNN leases. Some may be required for full service leases.
Basic Services– All Projects

In addition to the Architect’s Basic Services defined in AIA B181, Standard Form of Agreement Between Architect and Owner for Housing Services, Basic Services for affordable housing projects financed by the Mayor’s Office of Housing (MOH) or the San Francisco Redevelopment Agency (SFRA) shall include the following:

- Pre-application meetings and interface with other relevant City Agencies – up to 2 pre-application meetings with each agency such as the Dept. of Building Inspection, Dept. of Parking and Traffic, City Planning and the Mayor’s Office on Disability (MOD).
- Redesign and contract document revisions that are related to “reasonable and foreseeable” code interpretations by a field inspector. What is “reasonable and foreseeable” may be defined by a third party if necessary.
- Limited FF&E layouts for accessible units and common areas to ensure that accessible areas can be furnished in a manner acceptable to MOD.
- Up to 3 community meetings and/or public hearings including preparation time, but not including unlimited graphic-model materials.
- Ongoing review of contractor-prepared as-built drawings at least monthly throughout the course of construction or at time intervals appropriate to the project.
- Written Post-Occupancy Building and Social Evaluations including 9-Month and 12-Month, walk-throughs with Owner, Contractor, and sub-consultants as needed to identify issues. These would also serve as warranty walk-throughs.
- Pre-Construction meeting minutes and review of contractor-prepared meeting minutes during construction.
- Redesign costs associated with architect-driven change orders only.
- Post-bidding value engineering revisions corresponding to up to 5% of the pre-bid construction budget.

Basic Services – Rehabilitation Projects Only

In addition to the Basic Services for All Projects listed above, Basic Services for rehabilitation projects shall also include:

- Confirmation/verification of as-built documentation of existing conditions provided by owner.
- Path-of-travel analysis, including the nearest transit stop.
- Recommendations for exploratory demolition and/or systems testing to be done by owner during schematic design phase to verify assumptions.
- Observation time as required during construction to address uncovered existing conditions.
- Planning, phasing and coordination during an occupied rehabilitation project (with appropriate additional compensation for such services).
Basic Services Exclusions
The following are to be considered outside the scope of Basic Services for affordable housing projects financed by MOH/SFRA:

- Cost Estimating.
- Post-bidding value engineering revisions made necessary by delays beyond the control of the Architect or by inflation deemed by both parties to be standard in the industry at the time.
- Landscape, Acoustical and Civil Engineering, and other specialty Consultants.
- Dealing with existing non-accessible conditions not easily made 100% accessible.
- Compliance with the Green Communities Initiative.

Fees for Basic Services
The attached fee schedule (Exhibit A) shall serve as the basis for establishing Architect/Engineering fees for projects financed by MOH/SFRA.

As a general rule, fees for Basic Services for rehabilitation projects may exceed those listed for new construction of similarly sized projects according to the following scale:

| Construction contracts less than $2M: | An additional 3% |
| Construction contracts $2M to $10M:  | An additional 2.5% |
| Construction contracts over $10M:    | An additional 2% |

Fees for Basic Services related to the rehabilitation of buildings that will remain wholly or partially occupied during construction may exceed the limits identified for Rehabilitation projects depending on the circumstances.
Responses to the RFP will only be accepted from registered development teams. If all development team members are not known at the time of registration, the registration form must include, at a minimum, the lead/market-rate developer. Please use additional pages as necessary.

**LEAD/MARKET-RATE PROJECT DEVELOPER**

Name:  
Address:  
Contact Person:  
Phone:  Fax:  
E-mail:  

**AFFORDABLE DEVELOPER (IF DIFFERENT THAN ABOVE)**

Name:  
Address:  
Contact Person:  
Phone:  Fax:  
E-mail:  

**LEAD ARCHITECT**

Name:  
Address:  
Contact Person:  
Phone:  Fax:  
E-mail:  

**OTHER ARCHITECT(S)**

Name:  
Address:  
Contact Person:  
Phone:  Fax:  
E-mail:  

[ Form continued on the next page ]
LANDSCAPE ARCHITECT

Name:

Address:

Contact Person:

Phone:  Fax:

E-mail:
PART I. REDEVELOPER’S STATEMENT

If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper: ____________________________________________

b. Address and ZIP Code of Redeveloper: ________________________________

                                          ________________________________

c. EIN Number of Redeveloper: _________________________________________

2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

in ________________________________

(Name of Urban Renewal or Redevelopment Project Area)

in the City of San Francisco, State of California, is described as follows¹

3. If the Redeveloper is not an individual doing business under his/her own name, the Redeveloper has the status indicated below and is organized or operating under the laws of:

☐ A corporation
☐ A nonprofit or charitable institution or corporation
☐ A partnership known as ____________________________________________
☐ A business association or a joint venture known as _______________________  
☐ A limited liability company known as ________________________________
☐ A Federal, State, or local government or instrumentality thereof.
☐ Other (explain)

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization:

¹ Any convenient means of identifying the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.
5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

   a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.\(^2\)

   b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

   c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

   d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.

   e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

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<thead>
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<th>Name</th>
<th>Address + Zip Code</th>
<th>Position Title (if any)</th>
<th>Percent of Interest or Description of Character and Extent of Interest</th>
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\(^2\) If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 5. In such case, the information referred to in this Item 5 and in Items 6 and 7 is not required to be furnished.
6. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 5) who has a beneficial interest in any of the shareholders or investors named in response to Item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the Redeveloper; or more than 50% of the stock in a corporation which holds 20% of the stock of the Redeveloper):

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<th>Description of Character and Extent of Interest</th>
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7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 6 above:
B. RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

1. State the Redeveloper’s estimates, exclusive of payment for the land, for:

   a. Total cost of any residential development $ ________________
   b. Cost per dwelling unit of any residential development $ ________________
   c. Total cost of any residential rehabilitation $ ________________
   d. Cost per dwelling unit of any residential rehabilitation $ ________________

2. a. State the Redeveloper’s estimate of the average monthly rental (if to be rented) or average sale price (if to be sold) for each type and size of dwelling unit involved in such redevelopment or rehabilitation:

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<th>Type and Size of Dwelling Unit</th>
<th>Estimated Average Monthly Rental</th>
<th>Estimated Average Sale Price</th>
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   b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals;

   c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices:

CERTIFICATION

I (We) __________________________ certify under penalty of perjury under the laws of the State of California that the statements made in the foregoing Redeveloper’s Statement are true and correct.4

Signature __________________________
Title ______________________________
Date ________________________________
Address and ZIP Code __________________________

Signature __________________________
Title ______________________________
Date ________________________________
Address and ZIP Code __________________________

3 If the Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

4 Penalty For Perjury: California Penal Code, Sections 118 and 126 provide for imprisonment in the state prison for two, three or four years for willfully stating as true any material matter known to be false, in any testimony, declaration, deposition or certification under penalty of perjury made within or without the State of California.
PART II

REDEVELOPER’S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

(For Confidential Official Use of the Redevelopment Agency of the City and County of San Francisco)

1. a. Name of Redeveloper: ________________________________

   b. Address and ZIP Code of Redeveloper: ________________________________

2. the land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from the Redevelopment Agency of the City and County of San Francisco in:

   ________________________________

   (Name of Urban Renewal or Redevelopment Project Area)

   in the City of San Francisco, State of California is described as follows:

3. Is the Redeveloper a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms?

   □ Yes □ No

   If Yes, list each such corporation or firm by name and address, specify its relationship to the Redeveloper, and identify the officers and directors or trustees common to the Redeveloper and such other corporation or firm.

4. a. The financial condition of the Redeveloper, as of ________________________________ Month, Year

   (Note: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.)

   b. Name and address of auditor or public accountant who performed the audit on which said financial statement is based:

5. If funds for the development of the land are to be obtained from sources other than the Redeveloper’s own funds, a statement of the Redeveloper’s plan for financing the acquisition and development of the land:
6. Sources and amount of cash available to Redeveloper to meet equity requirements of the proposed undertaking:
   
a. In banks:
   
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<th>Name of Bank</th>
<th>Address and Zip Code</th>
<th>Amount</th>
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   b. By loans from affiliated or associated corporations or firms:
   
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<th>Name of Bank</th>
<th>Address and Zip Code</th>
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   c. By sale of readily saleable assets:
   
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<th>Description</th>
<th>Market Values</th>
<th>Mortgages or Liens</th>
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7. Names and addresses of bank references:
8. a. Has the Redeveloper or (if any) the parent corporation, or any subsidiary or affiliated corporation of the Redeveloper or said parent corporation, or any of the Redeveloper’s officers or principal members, shareholders or investors, or other interested parties (as listed in the responses to Items 5, 6, and 7 of the Redeveloper’s Statement and referred to herein as “principals of the Redeveloper”) been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

☐ Yes  ☐ No

If Yes, give date, place, and under what name.

b. Has the Redeveloper or anyone referred to above as “principals of the Redeveloper” been indicated for or convicted of any felony within the past 10 years?

☐ Yes  ☐ No

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

9. a. Undertakings, comparable to the proposed redevelopment work, which have been completed by the Redeveloper or any of the principals of the Redeveloper, including identification and brief description of each project and date of completion:

b. If the Redeveloper or any of the principals of the Redeveloper has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed redevelopment work, name of such employee, name and address of employer, title of position, and brief description of work:

10. Other federally aided urban renewal projects in which the Redeveloper or any of the principals of the Redeveloper is or has been the redeveloper, or a stockholder, officer, director or trustee, or partner of such a redeveloper:
11. If the Redeveloper or a parent corporation, a subsidiary, an affiliate, or a principal of the Redeveloper is to participate in the development of the land as a construction contractor or builder:

   a. Name and address of such contractor or builder:

   b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

      [ ] Yes  [ ] No

      If Yes, explain:

   c. Total amount of construction or development work performed by such contractor or builder during the last three years: $ ____________

      General description of such work:

   d. Construction contracts or developments now being performed by such contractor or builder:

      | Identification of Contract or Development | Location | Amount | Date to be Completed |
      |------------------------------------------|---------|--------|---------------------|
      |                                          |         | $      |                     |
      |                                          |         |        |                     |
      |                                          |         |        |                     |

   e. Outstanding construction-contract bids of such contractor or builder:

      | Awarding Agency | Amount | Date Opened |
      |-----------------|--------|-------------|
      |                 | $      |             |
      |                 |        |             |
      |                 |        |             |
12. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

13. a. Does any member of the governing body of the Local Public Agency to which the accompanying bid or proposal is being made or any officer or employee of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the Redeveloper’s proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal?

☐ Yes  ☐ No

If Yes, explain.

b. Does any member of the governing body of the locality in which the Urban Renewal Area is situated or any other public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land covered by the Redeveloper’s proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal?

☐ Yes  ☐ No

If Yes, explain.

14. Statements and other evidence of the Redeveloper’s qualifications and financial responsibility (other than the financial statement referred to in Item 4a) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) 5 certify under penalty of perjury under the laws of the State of California that the statements made in the foregoing Redeveloper’s Statement of Qualifications and Financial Responsibility and the attached evidence of the Redeveloper’s qualifications and financial responsibility, including financial statements, are true and correct. 6

Signature

Signature

Title

Title

Date

Date

Address and ZIP Code

Address and ZIP Code

5 If the Redeveloper is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Redeveloper.

6 Penalty for Perjury: California Penal Code, Sections 118 and 126 provide for imprisonment in the state prison for two, three or four years for willfully stating as true any material matter known to be false, in any testimony, declaration, deposition or certification under penalty of perjury made within or without the State of California.
ATTACHMENT 8
DISCLOSURE QUESTIONS

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

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

Answer:

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

Answer:

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

Answer:

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

Answer:

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

Answer:

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

Signed:

Date:

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


**ATTACHMENT 9**

**PROPERTY MANAGEMENT EXPERIENCE**

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

Property Manager Name: ______________________________________________

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<thead>
<tr>
<th>Project Name and Address</th>
<th>Owner’s Name</th>
<th>Project Type (i.e. family rental, senior rental, ownership)</th>
<th>Total # of Residential Units and Unit Mix (i.e. # of Studios, 1-Bdrms, etc)</th>
<th>Population Served (incl. avg. affordability level)</th>
<th>Building Type (i.e. townhouses over flats, highrise, etc)</th>
<th>Government Program, if any (incl. program, agency, contact name and phone number)</th>
<th>Dates Managed (if contract was terminated by owner, describe circumstances)</th>
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Note: Syndication Costs may not be included as a project cost.

*Calculate Maximum Developer Fee pursuant to Regulation 10327(c)(2) using the eligible basis subtotals.
### SYNDICATION (Investor & General Partner)

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<td>Organizational Fee</td>
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<td>Bridge Loan Fees/Exp.</td>
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<td>Legal Fees</td>
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<td>Consultant Fees</td>
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<td>Accountant Fees</td>
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<td>Tax Opinion</td>
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<td><strong>TOTAL SYNDICATION COSTS</strong></td>
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### CERTIFICATION BY OWNER:

As owner(s) of the above referenced low-income housing project, I certify under penalty of perjury, that the project costs contained herein are, to the best of my knowledge, accurate and actual costs associated with the construction, acquisition and/or rehabilitation of this project and that the sources of funds shown are the only funds received by the Partnership for the development of the project. I authorize the California Tax Credit Allocation Committee to utilize this information to calculate the low-income housing tax credit.

---

Signature of Owner/General Partner

Printed Name of Signatory

Title of Signatory

Date

---

### CERTIFICATION OF CPA/TAX PROFESSIONAL:

As the tax professional for the above referenced low-income housing project, I certify under penalty of perjury, that the percentage of aggregate basis financed by the tax-exempt bonds is: ____________%
ATTACHMENT 11
STATEMENT OF COMPLIANCE WITH SUCCESSOR AGENCY POLICIES

Instructions: Each development team member (including architects) must certify its agreement to comply with all of the Successor Agency's policies by submitting a signed Statement of Compliance.

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

________________________________________
Signature

________________________________________
Date
ATTACHMENT 12
CERTIFICATION OF APPLICANT

Instructions: Each development team member (including architects) must certify under penalty of perjury that all information provided in the RFP submittal is true and correct by submitting a signed Certification of Applicant.

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

________________________________________
Signature

________________________________________
Date
ATTACHMENT 13
SUBMISSION CHECKLIST

Phase I submittals must contain all of the following information. Each development team is solely responsible for ensuring that all information requested in Section 5 Submission Requirements and Selection Process is submitted even if it does not appear on the Checklist. Scores may be negatively impacted by the submission of incomplete information.

5.B.1 DEVELOPMENT TEAM DESCRIPTION

☐ a. Developer
   ☐ i. Developer Entity/Entities
   ☐ ii. Key Personnel (for each developer entity)
   ☐ iii. Organizational Documents (for each developer entity)
      ☐ Agency Form SFRA 6004, Attachment 7
      ☐ Disclosure Questions, Attachment 8
      ☐ Certificate of Good Standing – California Secretary of State
      ☐ Certification of 501 (c) (3) Status – IRS
      ☐ Certification of 501 (c) (3) Status – Franchise Tax Board

☐ b. Design Team
   ☐ i. Architect/Architects
   ☐ ii. SBE Participation
   ☐ iii. Key Personnel

☐ C. Property Manager

5.B.2 DEVELOPER EXPERIENCE (FOR EACH DEVELOPER ENTITY)

☐ a. Comparable Projects

☐ b. Previous experience working with
   OCII, the Former Redevelopment Agency, the TJPA,
   or the City and County of San Francisco.

5.B.3 ARCHITECT EXPERIENCE

☐ a. Comparable Projects
☐ b. Photographs of Comparable projects
☐ c. “Green” Building Experience

☐ 5.B.4 PROPERTY MANAGEMENT EXPERIENCE FORM

5.B.5 DEVELOPER’S FINANCIAL CAPACITY AND CAPABILITY
(TWO SETS, IN A SEPARATE SUBMITTAL, NOT BOUND OR STAPLED)

☐ a. Financial Statements
☐ b. Real Estate Portfolio
☐ c. History of Financing Commitments
☐ d. Pipeline Projects
☐ e. Sources of Capital
☐ f. Availability of Capital
5.B.6 DESIGN CONCEPT

☐ a. Project Summary
☐ b. Project Narrative
☐ c. Design Concept Drawings
  ☐ i. Site Plan
  ☐ ii. Overall Ground Floor Plan
  ☐ iii. Sections
  ☐ iv. Building Floor Plans
  ☐ v. Typical Unit Plans
  ☐ vi. Building Elevations
☐ d. Perspective Sketches

5.B.7 FINANCIAL PROPOSAL

☐ a. Market-Rate Project
  ☐ i. Purchase Offer
  ☐ ii. Sources and Use Pro-Forma
  ☐ iii. Commercial Pro-Forma

☐ b. OCII Subsidized Affordable Project (if applicable)
  ☐ i. Sources and Uses Pro-Forma
  ☐ ii. Operating Budget
  ☐ iii. Cash Flow
  ☐ iv. Commercial Pro-Forma

☐ c. Other Project Financial Proposal Requirements
  ☐ i. Market Data
  ☐ ii. Retail Plan
  ☐ iii. Schedule
  ☐ iv. Economies of Scale/Contracting Process

☐ 5.B.8 OFFER TO NEGOTIATE DEPOSIT

☐ 5.B.9 OTHER REQUIRED INFORMATION

☐ a. Statement of Compliance, Attachment 11 (each development team member)
☐ b. Certification of Applicant, Attachment 12 (each development team member)
☐ c. Submission Checklist

The development team hereby certifies that all items checked on this form, as well as any other information requested in Section 5, Submission Requirements and Selection Process, are included in the submittal.

________________________________________________________
Signature

________________________________________________________
Date
ATTACHMENT 14
SMALL BUSINESS ENTERPRISE AGREEMENT

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

I. PURPOSE.

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

II. APPLICATION.

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

III. GOALS.

The Agency's SBE Participation Goals are:

CONSTRUCTION 50%
PROFESSIONAL SERVICES 50%
SUPPLIERS 50%

A. Trainee Hiring Goal. In addition to the goals set forth above in Section III, there is a trainee hiring goal for architects, designers and other professional services consultants as follows:

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<th>Trainees</th>
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IV. TERM.

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

V. FIRST CONSIDERATION.

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

VI. CERTIFICATION.

Only businesses certified by the Agency as SBEs will be counted toward meeting the participation goals. The SBE Certification Criteria are set forth in the Policy (as defined in Section VII below).

VII. INCORPORATION.

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

VIII. DEFINITIONS.

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

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

Agency-Assisted Contract means, as applicable, the Development and Disposition Agreement (“DDA”), Land Disposition Agreement (“LDA”), Lease, Loan and Grant Agreements, personal services contracts and other similar contracts, and Operations Agreement that the Agency executed with for-profit or non-profit entities.

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

Amendment to a Pre-existing Contract means a material change to the terms of any contract, the term of which has not expired on or before the date that this Small Business Enterprise Policy (“SBE Policy”) takes effect, but shall not include amendments to decrease the scope of work or decrease the amount to be paid under a contract.
Annual Receipts means “total income” (or in the case of a sole proprietorship, “gross income”) plus “cost of goods sold” as these terms are defined and reported on Internal Revenue Service tax return forms. The term does not include net capital gains or losses; taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. For size determination purposes, the only exclusions from receipts are those specifically provided for in this paragraph. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, and employee-based costs such as payroll taxes, may not be excluded from receipts. Receipts are averaged over a concern’s latest three (3) completed fiscal years to determine its average annual receipts. If a concern has not been in business for three (3) years, the average weekly revenue for the number of weeks the concern has been in business is multiplied by 52 to determine its average annual receipts.

Arbitration Party means all persons and entities who attend the arbitration hearing pursuant to Section XII, as well as those persons and entities who are subject to a default award provided that all of the requirements in Section XII.1. have been met.

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

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

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

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

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

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

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

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

**Small Business Enterprise (SBE)** means an economically disadvantaged business that: is an independent and continuing business for profit; performs a commercially useful function; is owned and controlled by persons residing in the United States or its territories; has average gross annual receipts in the three years immediately preceding its application for certification as a SBE that do not exceed the following limits: (a) construction--$14,000,000; (b) professional or personal services--$2,000,000 and (c) suppliers--$7,000,000; and is (or is in the process of being) certified by the Agency as a SBE and meets the other certification criteria described in the SBE application.

In order to determine whether or not a firm meets the above economic size definitions, the Agency will use the firm’s three most recent business tax returns (i.e., 1040 with Schedule C for Sole Proprietorships, 1065s with K-1s for Partnerships, and 1120s for Corporations). Once a business reaches the 3-year average size threshold for the applicable industry the business ceases to be economically disadvantaged, it is not an eligible SBE and it will not be counted towards meeting SBE contracting requirements (or goals).

**Survey Area** means an area of San Francisco that meets the requirements of the Community Redevelopment Law, Health and Safety Code Section 33310. These areas currently include the Bayview Hunters Point Redevelopment Survey Area C.
IX. GOOD FAITH EFFORTS TO MEET SBE GOALS

Compliance with the following steps will be the basis for determining if the Agency-Assisted Contractor and/or Consultant has made good faith efforts to meet the goals for SBEs:

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

1. Advertise. Advertise for SBEs interested in competing for the contract, in general circulation media, trade association publications, including timely use of the Bid and Contract Opportunities newsletter published by the City and County of San Francisco Purchasing Department and media focused specifically on SBE businesses such as the Small Business Exchange, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.

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

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

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

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

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

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

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

H. Other Assistance. Assist SBEs in their efforts to obtain bonds, lines of credit and insurance. The Agency-Assisted Contractor or Contractor(s) shall require no more stringent bond or insurance standards of SBEs than required of other business enterprises.
I. Delivery Scheduling. Establish delivery schedules which encourage participation of SBEs.

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

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

L. Replacement of SBE. If during the term of this SBE Agreement, it becomes necessary to replace an SBE due to the failure or inability of the SBE to perform the required services or timely delivery the required supplies, then First Consideration should be given to another certified SBE, if available, as a replacement.

X. ADDITIONAL PROVISIONS

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

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

XI. PROCEDURES

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

1. the nature of the contract, e.g. type and scope of work to be performed;

2. the dollar amount of the contract;

3. the name, address, license number, gender and ethnicity of the person to whom the contract was awarded; And

4. SBE status of each subcontractor or subconsultant.

B. Affidavit. If the Agency-Assisted Contractor or Contractor(s) contend that the contract has been awarded to a SBE, the Agency-Assisted Contractor or Contractor(s) shall, at the same time also submit to the Agency a SBE Application for Certification and its accompanying Affidavit completed by the SBE owner. However, a SBE that was previously certified by the Agency shall submit only the short SBE Eligibility Statement.
C. **Good Faith Documentation.** If the 50% SBE Participation Goals are not met in each category (Construction, Professional Services and Suppliers), the Agency-Assisted Contractor or Contractor(s) shall meet and confer with the Agency at a date and time set by the Agency. If the issue of the Agency-Assisted Contractor’s or Contractor’s good faith efforts is not resolved at this meeting, the Agency-Assisted Contractor or Contractor shall submit to the Agency within five (5) days, a declaration under penalty of perjury containing the following documentation with respect to the good faith efforts (“Submission”):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**XII. ARBITRATION OF DISPUTES.**

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

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

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

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

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

F. **Setting of Arbitration Hearing.** A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.
G. **Discovery.** In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

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

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

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

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

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

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

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

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

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

L. **Default Award; No Requirement to Seek an Order Compelling Arbitration.** The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.
M. **Arbitrator Lacks Power to Modify.** Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agency-Assisted Contract, this SBE Agreement or any other agreement between the Agency, the Agency-Assisted Contractor or Contractor or to negotiate new agreements or provisions between the parties.

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

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

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

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

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE “ARBITRATION OF DISPUTES” PROVISION TO NEUTRAL ARBITRATION.
XIII. AGREEMENT EXECUTION

Note: If you are already an Agency certified SBE, you should execute the “SBE Eligibility Statement”.

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

Signature

Date

Print Your Name

Title

Company Name

Phone Number
ATTACHMENT 15
DECLARATION OF NONDISCRIMINATION IN CONTRACTS INSTRUCTIONS AND DECLARATION FORM

1. NONDISCRIMINATION—PROTECTED CLASSES

a. Is it your company/organization’s policy that you will not discriminate against your employees, applicants for employment, employees of the Successor Agency (Agency) or City and County of San Francisco (City), or members of the public for the following reasons:

- Race
  - Yes
  - No
- color
  - Yes
  - No
- creed
  - Yes
  - No
- religion
  - Yes
  - No
- ancestry
  - Yes
  - No
- national origin
  - Yes
  - No
- age
  - Yes
  - No
- sex
  - Yes
  - No
- sexual orientation
  - Yes
  - No
- gender identity
  - Yes
  - No
- marital status
  - Yes
  - No
- domestic partner status
  - Yes
  - No
- disability
  - Yes
  - No
- AIDS/HIV status
  - Yes
  - No

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

- Yes
- No

If you answered “no” to any part of Question 1a or 1b, the Agency or the City cannot do business with you.
2. NONDISCRIMINATION—EQUAL BENEFITS
(QUESTION 2 DOES NOT APPLY TO SUBCONTRACTS OR SUBCONTRACTORS)

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

☐ Yes  ☐ No

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

☐ Yes  ☐ No

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

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

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<thead>
<tr>
<th>Benefit</th>
<th>Yes, for Spouses</th>
<th>Yes, for Partners</th>
<th>No</th>
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<td>• Medical (health, dental, vision)</td>
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<td>• Pension</td>
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<td>• Bereavement</td>
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<td>• Family leave</td>
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<td>• Parental leave</td>
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<td>• Employee assistance programs</td>
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<tr>
<td>• Relocation and travel</td>
<td>☐</td>
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<tr>
<td>• Company discounts, facilities, events</td>
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<td>• Other _________________________________</td>
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</table>

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

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

(2) Do you provide a cash equivalent?  ☐ Yes  ☐ No
3. DOCUMENTATION FOR NONDISCRIMINATION IN BENEFITS (QUESTIONS 2C AND 2D ONLY)

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

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

Executed this _____ day of ____________, 200__, at ________________________, __________.

(City) (State)

Name of Company/Organization

Doing Business As (BDA)

Also Known As (AKA)

General Address (For General Correspondence)

Remittance Address (if Different from Above Address)

Phone Number

Federal Tax Identification Number

Approximate number of employees in the U.S.

Vendor Number (if known)

Name of Signatory (Please Print)

Title

Signature

☐ Check here if your address has changed.

☐ Check here if your organization is a non-profit.

☐ Check here if your organization is a governmental entity.

THIS FORM MUST BE RETURNED WITH THE ORIGINAL SIGNATURE

Please return this form to:
Successor Agency to Redevelopment Agency, One South Van Ness Ave, 5th Floor, San Francisco, CA 94103
ATTACHMENT 16
MINIMUM COMPENSATION ORDINANCE (MCO) DECLARATION

What the Ordinance does. The Redevelopment Agency of the City and County of San Francisco adopted the Minimum Compensation Policy (MCP), which became effective on September 25, 2001; the Successor Agency to the Redevelopment Agency ("Agency") continues to enforce the MCP. The MCP requires contractors and subcontractors to provide the following to their employees covered by the MCP on Agency contracts and subcontracts for services: For Commercial Business MCP the wage rate is $12.43. For Nonprofit MCP the wage rate is $11.03; 12 days’ paid vacation per year (or cash equivalent); 10 days off without pay per year.

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

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

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

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

What this form does. If you can assure the Agency now that, beginning with the first Agency contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the MCP to your covered employees, and will ensure that your subcontractors also subject to the MCP do the same, this will help the Agency’s contracting process. The Agency realizes that it may not be possible to make this assurance now.

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

For more information, the complete text of the MCP is available from the Agency’s Contract Compliance Department by calling (415) 749-2400.

Routing. Return this form to: Contract Compliance Department,
Successor Agency to the San Francisco Redevelopment Agency,
1 South Van Ness, Fifth Floor, San Francisco, CA 94103.

DECLARATION

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

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

Signature

Printed Name

Company Name

Date
ATTACHMENT 17
HEALTH CARE ACCOUNTABILITY POLICY (HCAP) DECLARATION

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

Specifically, contractors can either: (1) offer the employee minimum standard health plan benefits approved by the Agency Commission (2) pay the Agency $3.75 per hour for each hour the employee works on the covered contract or subcontract or on property covered by a lease (but not to exceed $120 in any week) and the Agency will appropriate the money for staffing and other resources to provide medical care for the uninsured, or (3) participate in a health benefits program developed by the Agency.

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

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

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

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

What this form does. If you can assure the Agency now that, beginning with the first Agency's contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the HCAP to your covered employees, and will ensure that your subcontractors also subject to the HCAP do the same, this will help the Agency contracting process. The Agency realizes that it may not be possible to make this assurance now.

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

For more information, (1) see the complete text of the HCAP, available from the Agency's Contract Compliance Department at: (415) 749-2400.

Routing. Return this form to: Contact Compliance Department,
Successor Agency to the San Francisco Redevelopment Agency,
1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103.

[form continues on next page]
DECLARATION

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

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

______________________________  ______________________________
Signature  Company Name

______________________________  ______________________________
Printed Name  Phone

______________________________
Date
ATTACHMENT 18
CONSTRUCTION WORK FORCE AGREEMENT

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

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

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

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

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

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

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

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

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

IV. EQUAL OPPORTUNITY REQUIREMENTS.

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

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

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

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

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

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

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

7. Review, prior to beginning work at the Site and at least annually thereafter, the Contractor’s EEO policy and
equal opportunity obligations under the DDA and this Construction Work Force Agreement with all employees
having any responsibility for hiring, assignment, layoff, termination or other employment decisions including
specific review of these items with on-site supervisory personnel such as superintendents, general foremen,

8. Disseminate the Contractor’s EEO policy externally by including it in any advertising in the news media,
specifically including minority and female news media, and providing written notification to and discussing
the Contractor’s EEO policy with other contractors and subcontractors with whom the Contractor does or
anticipates doing business.
9. Direct its recruitment efforts, both oral and written, to local minority group, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor’s recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

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

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

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

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

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

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

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

V. ADDITIONAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. California Law Applies. Except where expressly stated to the contrary in this Construction Work Force Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.
J. **Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

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

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

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

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

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

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

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

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

N. **Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator’s fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys’ fees, provided, however, that attorneys’ fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator’s decision may be entered in any court of competent jurisdiction.
O. **Exculpatory Clause.** Owner expressly waives any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services (“the Work”). Owner acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Construction Work Force Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

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

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

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

________________________________________
Agency

________________________________________
Owner

[form continues on next page]
VIII. PRECONSTRUCTION MEETING.

A. Prior to the commencement of construction, the general contractor, any prime contractor, or any subcontractor at any tier shall attend a preconstruction meeting convened by the Agency and to which outreach organizations are invited to review the reporting requirements, the prospective construction work force composition and any problems that may be anticipated in meeting the construction work force goal.

B. Any subcontractor at any tier, who does not attend such a meeting shall not be permitted on the job site. The Agency shall convene additional preconstruction meetings within 24 hours of the Contractor’s request. The Contractor shall endeavor to include as many prospective subcontractors as possible at these meetings in order not to protract unduly the number of meetings.

C. Failure to comply with this preconstruction meeting provision may result in the Agency ordering a suspension of work by the prime contractor and/or the subcontractor until the breach has been cured. Suspension under this provision is not subject to arbitration.

IX. TERM.

The obligations of the Owner and the Contractors with respect to their construction work forces, as set forth in Attachment 9 of this DDA and this Construction Work Force Agreement, shall remain in effect until completion of all work to be performed by the Owner in connection with the construction of any of the phases.

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

Signature

Date

Print your Name

Print Your Title

Company Name

Phone Number
ATTACHMENT 19
PERMANENT WORK FORCE AGREEMENT

I. PURPOSE.
The purposes of the Agency and the Developer/Affordable Developer in entering into this Permanent Work Force Agreement are to ensure:

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

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

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

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

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

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

III. GOALS AND OBJECTIVES.

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

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

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

B. The workforce plan shall contain the following:

1. Detailed procedures for ensuring that San Francisco residents who are equally or more qualified than other candidates obtain first consideration for employment. These procedures shall include specific recruiting, screening and hiring procedures (e.g., phased hiring) which ensure that qualified residents receive offers of employment prior to other equally or less qualified candidates. If a candidate(s) who is entitled to first consideration is not selected for the position, the Developer or tenant shall have the burden of establishing to the Agency and the arbitrator (if the matter is taken to arbitration), that the candidate who was selected was better qualified for the position than the candidate(s) who was entitled to first consideration.

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

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

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

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

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

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

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

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

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

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

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

I. **California Law Applies.** Except where expressly stated to the contrary in this Permanent Work Force Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.
**J. Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

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

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

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

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

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

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

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

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

**N. Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator’s fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys’ fees, provided, however, that attorneys’ fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator’s decision may be entered in any court of competent jurisdiction.
O. **Exculpatory Clause.** Owner expressly waives any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services (“the Work”). Owner acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Permanent Work Force Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

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

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

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

Agency

Owner

[form continues on next page]
VI. REPORTS.

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

1. Current work force composition;
2. applicants;
3. job offers;
4. hires;
5. rejections;
6. pending applications;
7. promotions and demotions; and
8. employees working, on average, less than 35 hours per week.

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

VII. TERM.

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

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

Signature

Date

Print your Name

Print Your Title

Company Name

Phone Number
ATTACHMENT 20
PREVAILING WAGE PROVISIONS (LABOR STANDARDS)

1. APPLICABILITY.
These Prevailing Wage Provisions (hereinafter referred to as “Labor Standards”) apply to any and all construction of the Improvements as defined in the Disposition and Development Agreement (DDA) between the Developer and the Agency of which this Attachment 9 and these Labor Standards are a part.

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

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

3. DEFINITIONS.
The following definitions shall apply for purposes of this Attachment No. 20:

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

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

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

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

All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor’s payroll records accurately set forth the time spent in each classification in which work is performed.
(b) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.

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

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

5. PERMISSIBLE PAYROLL DEDUCTIONS.

The following payroll deductions are permissible deductions. Any others require the approval of the Successor Agency’s Executive Director.

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

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

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

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

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

2. It is either:
   a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining or for the continuation of employment, or
   b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

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

4. The deduction shall serve the convenience and interest of the employee.
(e) Any authorized purchase of United States Savings Bonds for the employee.

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

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

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

6. APPRENTICES AND TRAINEES.

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

7. OVERTIME.

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

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

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

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

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

9. OCCUPATIONAL SAFETY AND HEALTH.

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

10. EQUAL OPPORTUNITY PROGRAM.

The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the equal opportunity program set forth in this Attachment 9 of the DDA including the Construction Work Force Agreement and the Permanent Work Force Agreement. Any conflicts between the languages contained in these Labor Standards and Attachment 9 shall be resolved in favor of the language set forth in Attachment 9, except that in no event shall less than the prevailing wage be paid.

11. NONDISCRIMINATION AGAINST EMPLOYEES FOR COMPLAINTS.

No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.
12. POSTING OF NOTICE TO EMPLOYEES.

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

13. VIOLATION AND REMEDIES.

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

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

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

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

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

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

14. ARBITRATION OF DISPUTES.

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

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

Arbitration may be demanded by the Agency, the Developer or the Contractor.

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

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

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

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

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

15. NON-LIABILITY OF THE SUCCESSOR AGENCY.

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

EQUAL OPPORTUNITY NON-DISCRIMINATION
The contractor must take equal opportunity to provide employment opportunities to minority group persons and women and shall not discriminate on the basis of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.

PREVAILING WAGE
You shall not be paid less than the wage rate attached to this Notice for the kind of work you perform.

OVERTIME
You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 8 a day or 40 a week, whichever is greater.

APPRENTICES
Apprentice rates apply only to employees registered under an apprenticeship or trainee program approved by the Bureau of Apprenticeship and Training or the California Division of Apprenticeship Standards.

PROPER PAY
If you do not receive proper pay, write

Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness Avenue, Floor 5
San Francisco, CA 94103
or call 415-749-2546 and ask for
George Bridges
Contract Compliance Specialist
Contact:
Courtney Pash
Office of Community Investment and Infrastructure
Tel: (415) 749-2439
Email: courtney.pash@sfgov.org