Memorandum of Understanding
For the Implementation of Affordable Housing Obligations Under
San Francisco Successor Agency Ordinance 215-12

This Memorandum of Understanding (this "MOU"), dated as of ________, 2013, is entered into by and between the City and County of San Francisco ("City"), acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, hereafter referred to as the Office of Community Investment and Infrastructure ("OCII", and together with MOHCD, the "Parties").

RECITALS

A. On February 1, 2012, the state dissolved the Redevelopment Agency of the City and County of San Francisco ("Former Agency") pursuant to the California Assembly Bill known as AB 26 and the California Supreme Court's decision and order in the case entitled California Redevelopment Association et al. v. Ana Matosantos. In June 2012, AB 26 was amended by AB 1484. (Together, AB 26 and AB 1484 are referred to as the “Dissolution Law.”) Prior to its dissolution, the Former Agency had assisted in the development of over 10,000 affordable housing units restricted to low and moderate income households At the time of dissolution, it had over 1,400 affordable housing units in the planning or predevelopment stages and had obligations to assist in the development of about 5,200 affordable housing units associated with the Hunters Point Shipyard/Candlestick Point, Mission Bay North and South, and Transbay Projects (the “Major Approved Development Projects”); and obligations to replace about 6,700 affordable units destroyed in the 1960’s and 1970’s (the “Replacement Housing Obligation”).

B. The Dissolution Law allowed cities or counties to elect to retain the housing assets and functions previously performed by the redevelopment agency. Cal. Health & Safety Code § 34176. The Board of Supervisors of the City and County of San Francisco elected, under Resolution No. 11-12 (Jan. 26, 2012), to retain the housing functions of the Former Agency and accepted transfer of the Former Agency’s affordable housing assets. Resolution No. 11-12 designated the Mayor’s Office of Housing (“MOH” or “MOHCD”) to perform the housing functions and to accept the housing assets of the Former Agency.

C. AB 1484 established that successor agencies to former redevelopment agencies were separate public entities that succeeded to the “organizational status of the former redevelopment agency” and that retained affordable housing obligations to qualify for funding from property tax revenues (former tax increment) to fulfill those obligations. Cal. Health & Safety Code §§ 34173 (g) & 34176 (a)(1). Subsequently, the City implemented AB 1484 by Ordinance No. 215-12 (Oct. 4, 2012) (“Successor Agency Ordinance”) and acknowledged that the Successor Agency retained enforceable obligations for the development of affordable housing required to fulfill the Major Approved Development Projects and the Replacement Housing Obligation” (together, the “Retained Housing Obligations”).
D. As a result of these state and local laws, OCII became the Successor Agency to the Redevelopment Agency of the City and County of San Francisco and assumed the Retained Housing Obligations. OCII is a public body, corporate and politic, exercising the Former Agency’s functions and powers under the Community Redevelopment Law (“CRL”), as amended by Dissolution Law.

E. Pursuant to the Successor Agency Ordinance, OCII was directed to create a framework with MOHCD for fulfilling their respective responsibilities for the implementation of the funding, approvals, and management of the Retained Housing Obligations. This MOU is intended to outline the framework agreed upon by OCII and MOHCD for implementing such obligations, as well as the terms for disposition of the assets related thereto.


G. To fulfill its Retained Housing Obligations, OCII will have to take numerous actions, including but not limited to: the provision of the funding necessary to implement the Retained Housing Obligations pursuant to OCII’s annual budget and semi-annual Recognized Payment Obligation Schedules (“ROPS”), including securing the necessary funds through the receipt of Redevelopment Property Tax Trust Fund (“RPTTF”) from the City’s Auditor-Controller, the issuance of tax allocation bonds, or other alternate forms of financing; the application of OCII’s equal opportunity and workforce programs and land use authority as required by the enforceable obligations; the facilitation of community input through applicable Citizens Advisory Committees and other relevant community stakeholders; and the application of OCII’s Purchasing Policy, which includes seeking necessary authorizations from the Commission on Community Investment and Infrastructure (the “Commission”).
H. Under the Successor Agency Ordinance, the Board of Supervisors delegated to the Commission, with a few exceptions, the authority “to act in place of the former Commission of the dissolved Redevelopment to implement, modify, enforce and complete the surviving projects, including without limitation, . . . the Retained Housing Obligations.” Ordinance No. 215-12, § 6 (a) (1) at p. 10. Accordingly, the Commission will approve the selection of developers through Requests for Proposals, funding requests, land use entitlements, dispositions and other development agreements for the Retained Housing Obligation’s in accordance with OCII’s policies and enforceable obligations. OCII will also seek authorization and approval of certain actions from the Oversight Board of the City and County of San Francisco (“Oversight Board”) as required by the CRL as amended by Dissolution Law and from the Board of Supervisors as required by the CRL or the Successor Agency Ordinance.

I. Dissolution Law generally requires successor agencies to transfer affordable housing assets to a designated housing successor. Cal. Health & Safety Code § 34177 (g). On September 7, 2012, DOF initially approved OCII’s transfer of housing assets to MOHCD. Letter, S. Szalay, Local Government Consultant, to Olson Lee, Director, MOHCD. Subsequently, on November 25, 2013, the Oversight Board approved Resolution No. 13-2013 confirming that an additional 1,024 affordable housing assets, including but not limited to land and regulatory agreements, had transferred to MOHCD as Housing Successor. From and after the transfer of each asset to MOHCD, MOHCD shall manage the asset in compliance with local, state, and federal requirements, including Dissolution Law and its reporting requirements under Sections 33418 and 34176.1 of the Health and Safety Code, to ensure compliance with affordability restrictions and other requirements imposed through enforceable obligations, including funding, entitlement, and land disposition agreements. Any payments made under the terms of the relevant funding and land disposition agreements after the transfer of the Retained Housing Obligation asset to MOHCD, less any excess OCII loan or grant proceeds that result from the financial close-out of the affordable housing project which are due to OCII, shall be paid to MOHCD, and maintained in a separate Low and Moderate Income Housing Asset Fund, as required under Cal. Health & Safety Code § 34176, and may be used by MOHCD in compliance with the CRL as amended by Dissolution Law or other applicable state laws.

J. Upon completion of each specific project that is part of the Retained Housing Obligations, OCII will transfer the affordable housing asset(s) to MOHCD, acting in its capacity as the Housing Successor, under Dissolution Law and Board of Supervisor Resolution No. 11-12. In anticipation of future transfers of housing assets that are part of the Retained Housing Obligations, OCII will coordinate with MOHCD during the implementation of the affordable housing projects in order to ensure the transfer of the asset(s) to MOHCD consistent with the program goals in Redevelopment Plans, the City Consolidated Plan, and, to the extent applicable, the HOPE SF Principles. This coordination will include provision of draft project documents to MOHCD for review and comment, collaboration on the MOHCD and OCII affordable housing program annual budgets and semi-annual Recognized Payment Obligation Schedules (ROPS), the inclusion of OCII affordable housing projects in MOHCD project pipeline reporting, and OCII’s continuation of the Former Agency’s practice of
underwriting affordable housing funding requests consistent with MOHCD’s underwriting guidelines and policies, as amended from time to time, attached as Exhibit A and available at http://sf-moh.org/index.aspx?page=25. Variances to the underwriting guidelines will be presented and considered by the Citywide Affordable Housing Loan Committee (“Loan Committee”) and approved variances will be described in relevant Commission memoranda.

K. Under this MOU, OCII will engage MOHCD to provide designated staffing services to assist in the implementation of the Retained Housing Obligations on behalf of OCII, including but not limited to designated fiscal services, program administration of the Certificate of Preference Program and certain aspects of the capital housing development, limited equity homeownership and below market rate inclusionary programs required by OCII enforceable obligations. Nothing in this MOU, however, shall be construed as authorizing funding for those MOHCD activities and programs that are not related to OCII’s implementation of Retained Housing Obligations.

L. Any undefined capitalized terms set forth herein shall have the meaning provided for such term in the Dissolution Law or Successor Agency Ordinance, as applicable.

NOW THEREFORE, the Parties agree as follows:

1. **Scope of MOU.** This MOU defines the working relationship between the Parties for the implementation of the Retained Housing Obligations, as defined in the enforceable obligation, Successor Agency Ordinance, and Dissolution Law.

2. **Application of Equal Opportunity and Contracting Policies.** Implementation of OCII’s Retained Housing Obligations shall be consistent with the contractual or statutory enforceable obligation that applies to the particular project. An enforceable obligation may require compliance with OCII’s equal opportunity and contract compliance policies, e.g. Small Business Enterprise Policy, Construction Workforce Agreement. For specific projects that have transferred to MOHCD in its capacity as Housing Successor, OCII’s equal opportunity and contract compliance policies shall not apply to the project in the future unless the underlying enforceable obligation, e.g. the Candlestick Point-Hunters Point Shipyard Phase 2 Disposition and Development Agreement, remains in effect and requires the application of these policies.

3. **Capital Housing Projects Services.**

   a. **MOHCD Assistance to OCII in fulfilling Retained Housing Obligations.** MOHCD agrees to provide the following services to OCII for its Retained Housing Obligation projects that require funding or approvals from OCII for capital development (“Capital Housing Projects”). OCII will include the cost of these services in OCII’s annual budget and semi-annual ROPS.

      (i) **Financial Closing Process.** In connection with MOHCD’s Fiscal Services, MOHCD will provide services to assist OCII in any financial closings related to the project documents, including assisting in the preparation of final documents for execution, recording of documents, and assisting in the review of information necessary for the
encumbrance and disbursement of funds by MOHCD’s Fiscal Division in accordance with Section 6 of this MOU.

(ii) **Construction Management Services.** MOHCD will provide the following construction management services:

(1) Participate in OCII review and approval of schematic designs to provide input on constructability, cost, and sustainability issues.

(2) Participate in infrastructure planning for HOPE SF projects.

(3) Review construction plans and specifications to provide input on constructability, cost and sustainability issues, and review change orders for cost reasonableness.

(4) Monitor construction for compliance with approved plans and specifications and entitlements

(5) Provide regular updates to OCII on construction status and notification of request for change orders that substantially change the programmatic function or design quality of the Capital Housing Projects.

(iii) **Limited Equity Program Documents.** Pursuant to OCII’s enforceable obligations, OCII funded for-sale affordable housing units will be offered through OCII’s Limited Equity Program (“LEP”) and MOHCD will draft any documents necessary to implement the LEP, and will implement the financial closings necessary under the LEP Documents.

(iv) **Marketing of Affordable Units.** MOHCD will provide the following services related to the marketing of affordable housing units in the Retained Housing Obligations. MOHCD will provide these services consistent with Fair Housing Law, the project’s enforceable obligation documents which require affirmative marketing and outreach and a lottery-based selection of applicants, and the marketing, lottery, and application policies used for the City’s Inclusionary Program to the extent they are consistent with the enforceable obligation documents.

(1) Review and comment on marketing plans submitted by the project sponsor (“Marketing Plans”) for approval by OCII.

(2) Facilitate and monitor the marketing process including reviewing final rents or sales prices, and reviewing, approving, and denying applicants in compliance with approved Marketing Plans and LEP documents if applicable.

(3) Provide regular updates to OCII on the progress of the marketing and lease-up of the affordable units.

(v) **Issuance of Tax-Exempt Mortgage Revenue Bonds.** MOHCD will, at OCII’s request, act as the issuer of tax-exempt mortgage revenue bonds for Retained Housing Obligations.
Obligations that require such financing and will be responsible for all costs associated with its role as issuer, including MOHCD and City Attorney staffing costs, and will seek all necessary approvals to effectuate the issuance of the tax-exempt mortgage revenue bonds.

(vi) Other Services. MOHCD may provide other services for Capital Housing Projects as mutually agreed to by the Parties.

b. MOHCD Participation as Housing Successor. MOHCD will provide the following services on Capital Housing Projects to ensure that OCII’s approval and funding of specific projects are consistent with MOHCD’s role as Housing Successor and future holder of the affordable housing assets. MOHCD shall include the staffing cost and time associated with their participation as Housing Successor in its annual budgets and workplans.

   (i) Request for Proposal Process. MOHCD will provide the following services related to Requests for Proposals (“RFP’s) on Retained Housing Obligations.

   (1) Review and comment on any draft RFP to be issued by OCII.

   (2) Review and comment on submitted proposals.

   (3) Designate MOHCD staff to participate on proposal review panels.

   (ii) Loan or Grant Underwriting Process. MOHCD will review and comment on draft loan evaluations through the Loan Committee “Peer Review” process and prior to publication of final loan evaluation documents to the Citywide Affordable Housing Loan Committee.

   (iii) Project Document Review. MOHCD will review and comment on draft documents necessary to implement the Retained Housing Obligation, including, but not limited to, loans, grants, exclusive negotiations agreements, disposition and development agreements, and ground leases (“Project Documents”).

c. Coordination of the Tax Credit Queue. MOHCD shall prepare and maintain, in collaboration with OCII, the schedule of projects anticipated to seek funding through competitive awards of 9% Low Income Housing Tax Credits from the California Tax Credit Allocation Committee (the “9 % Queue”), subject to the review and approval of Loan Committee.

d. Transfer of Completed Capital Housing Project Assets. At the point at which a Capital Housing Project has completed construction, achieved full lease-up of affordable units, and the project has completed all necessary financial close-out procedures to determine if any unused loan or grant proceeds are due to be returned to OCII, OCII will prepare a Certificate of Completion, the form of which will be mutually agreed to by the Parties. OCII will transfer, subject to any Oversight Board and DOF review and approval, the assets related
to the Capital Housing Project to MOHCD as Housing Successor, which may include fee interest in land, ground leases, loans or grants, or other affordability restrictions. Any excess construction period proceeds attributable to OCII that may be determined after transfer of the asset to MOHCD will be paid to OCII. Upon request of OCII, MOHCD will provide the following services to assist in the preparation of the Certificate of Completion and any other materials necessary to effectuate the transfer of completed housing assets to MOHCD as Housing Successor, pursuant to the CRL as amended by Dissolution Law.

(i) Provide documentation of completed lease-up in compliance with the Marketing Plan.

(ii) Prepare documentation necessary to reflect the transfer of the housing asset(s) in the official records of the City

(iii) Seek any necessary approvals from the City in order to accept the transferred housing asset(s).

(iv) Assist in preparation of materials necessary to seek any Oversight Board and DOF approvals of the transfer of the housing asset(s), as may be required by the CRL as amended by Dissolution Law.

(v) Provide interim asset management services, including monitoring of compliance with all regulatory and enforceable obligation terms, should the transfer of the Capital Housing Project asset(s) be delayed for reasons beyond OCII’s control.

4. **Inclusionary Units.** Pursuant to OCII’s enforceable obligations, any non-OCII funded affordable housing rental units included in market-rate developments ("Inclusionary BMR Rental Units") will be offered to eligible households, and any non-OCII funded for-sale affordable housing units included in market-rate developments ("Inclusionary LEP Units") will be offered to eligible households through OCII’s Limited Equity Program ("LEP"). MOHCD will provide the following services prior to the project’s completion and the transfer of any affordable housing restrictions to MOHCD as a housing asset. OCII will include the cost of these services in OCII’s annual budget and semi-annual ROPS as needed. MOHCD will provide these services consistent with the project’s enforceable obligation documents which require affirmative marketing and outreach and a lottery-based selection of applicants, the marketing, lottery, and application policies used for the City’s Inclusionary Program, and Fair Housing Law. Upon completion of the relevant housing asset and issuance of a Certificate of Completion, MOHCD will be responsible for the monitoring and asset management of any Inclusionary LEP Units or Inclusionary BMR Rental Units (together “Inclusionary Units”) in compliance with the CRL as amended by Dissolution Law or other relevant state laws.

a. **Document Drafting.** MOHCD will draft documents necessary to implement the marketing and sale of Inclusionary LEP Units in compliance with the LEP Program, and the marketing and leasing of Inclusionary BMR Rental Units in compliance with OCII’s enforceable obligations, and provide such documents to OCII for final approval.
b. **Review Location of Inclusionary Units.** MOHCD will review and comment on the location of Inclusionary Units in floor plans prior to the approval of schematic designs.

c. **Marketing and Sales of Inclusionary LEP Units.** MOHCD will facilitate and monitor the marketing of the Inclusionary LEP Units, including setting pricing; reviewing, approving, and denying buyers consistent with the requirements of the LEP Documents and OCII enforceable obligations; and facilitating the financial closing of the sale of the Inclusionary LEP Unit.

d. **Marketing and Leasing of Inclusionary BMR Rental Units.** MOHCD will facilitate and monitor the marketing of the Inclusionary BMR Rental Units in compliance with the enforceable obligations and the Marketing Plan, including approving final rents; reviewing, approving, and denying renters.

e. **Monitoring of Inclusionary Units.** MOHCD will monitor compliance with OCII enforceable obligations and the LEP Program if applicable.

f. **Marketing Updates.** Provide regular updates to OCII on the progress of the marketing and sales or leasing of the Inclusionary Units.

g. **Transfer of Completed Inclusionary Unit Assets.** At the point at which a project with Inclusionary Units has completed construction and achieved either full sales or full lease up of any Inclusionary Units as applicable, OCII will prepare a Certificate of Completion, the form of which is will be mutually agreed to by the Parties. OCII will seek to transfer the affordability restrictions related to the Inclusionary Units to MOHCD as Housing Successor pursuant to the CRL as amended by Dissolution Law. Upon request of OCII, MOHCD will provide the following services to assist in the preparation of the Certificate of Completion and any other materials necessary to effectuate that transfer to MOHCD. Upon project completion and transfer of the housing asset, MOHCD will be responsible for the monitoring and asset management of Inclusionary Units in compliance with the CRL as amended by Dissolution Law or other relevant state laws.

   (i) Provide documentation of completed sales or leasing in compliance with the Marketing Plan.

   (ii) Prepare documentation necessary to reflect the transfer of the housing asset(s) in the official records of the City.

   (iii) Seek any necessary approvals from the City in order to accept the transferred housing asset(s).

   (iv) Assist in preparation of materials necessary to seek any Oversight Board and DOF approvals of the transfer of the housing asset(s), as may be required by the CRL as amended by Dissolution Law.

   (v) Provide interim asset management services, including monitoring of compliance with all regulatory and enforceable obligation terms, should the transfer of the affordability restrictions be delayed for reasons beyond OCII’s control.
5. **Certificate of Preference Program.** As required by OCII’s enforceable obligations, preferences for OCII sponsored affordable housing must be granted to eligible households who hold Certificates of Preference (“Certificate Holders”) in accordance with OCII’s Property Owner and Occupant Preference Program (the “Certificate of Preference Program” or “COP Program”), as reprinted September 11, 2008 and effective October 1, 2008. MOHCD will administer the COP Program on behalf of both OCII and the City, which is independently obligated to apply the COP Program to its affordable housing programs under Board of Supervisors Ordinance No. 232-08 (Oct. 30, 2008). This program administration will include providing overall management of the program, issuing Certificates of Preference to eligible applicants, marketing of new units to Certificate Holders, administering MOHCD homeownership financial assistance programs to Certificate Holders, and outreaching to Certificate Holders to participate in MOHCD sponsored rental readiness programs. OCII will include the cost of MOHCD’s services to implement the COP Program on new OCII Retained Housing Obligation projects and a pro-rata share of the COP Program’s overall administration (based on an estimate of the proportion of OCII funded projects in the COP Program’s upcoming annual pipeline) in OCII’s annual budget and semi-annual ROPS as needed.

6. **Fiscal Services.**

   a. **MOHCD Services for Budget Planning and ROPS Preparation.** MOHCD shall work collaboratively with OCII to establish the budget and anticipated expenditures for the affordable housing program in the ROPS by providing the following services. OCII will include the cost of MOHCD’s services in OCII’s annual budget and semi-annual ROPS as needed.

      (i) Assist with preparation of the annual budget, including assisting with the analysis of prior year expenditures, and providing staffing cost estimates pursuant to this MOU.

      (ii) Provide a reconciliation for housing-related expenditures for each ROPS period (“Housing ROPS True-Up”), to be submitted to OCII for review by January 31st for July to December period ROPS and August 31st for January to December period ROPS. OCII will include the cost of MOHCD’s services in OCII’s annual budget and semi-annual ROPS as needed.

   b. **MOHCD Accounting System Services.** MOHCD agrees to provide the following services, the cost of which OCII will include in its annual budget and semi-annual ROPS.

      (i) Set up encumbrances and pay project costs and fund loan disbursements in accordance with approved funding agreements, the OCII budget, and the ROPS. Such payments will occur via a direct charge to OCII project codes in the accounting system used by OCII and MOHCD (the “Accounting System”).
(ii) Confirm ROPS authority prior to making payments and ensure that each payment from OCII funds references ROPS authority in the Accounting System transaction description and/or notepad.

(iii) Initiate journal entries in the Accounting System to reallocate budgets between expenditure categories or project details initiated by MOHCD subject to the approval of OCII.

(iv) Collaborate with OCII in creating and maintaining the project detail and index code structure for RPTTF funded housing items on approved ROPS.

(v) Provide necessary accounting reports as requested, including but not limited to an accounting of SB 2113 funds expended in fulfillment of the Replacement Housing Obligation.

c. **MOHCD Annual Audit Support.** MOHCD will provide assistance and documentation as requested by OCII or by auditors preparing OCII’s annual financial audit, including the preparation and reporting of outstanding loan balances.

7. **Regulation Changes to Local, State, and Federal Funding Programs.** The parties will notify each other of, and work collaboratively to comment on, any proposed changes to local, state, or federal funding programs that would impact the financing of affordable housing production in the City.

8. **Reporting.**

   a. **OCII Reporting Responsibilities.**

      (i) **Annual Production Report:** OCII shall prepare and publish an Annual Production Report of units produced pursuant to the Retained Housing Obligations. Such report will include, but is not limited to, the following data elements: project name and location, project sponsor, population type, unit totals (including number of units designated as Replacement Housing Units pursuant to SB 2113), affordability levels, amount and type of OCII funding, construction start and completion dates (estimated as applicable). OCII will provide MOHCD with a draft of the Annual Production Report for its review prior to publication.

      (ii) **Replacement Housing Obligation Report:** OCII shall prepare and publish an annual Replacement Housing Obligation Report identifying units funded pursuant to Senate Bill 2113 (“SB 2113”) in furtherance of OCII’s Replacement Housing Obligation, based on funding data prepared and maintained by MOHCD fiscal staff. OCII will provide MOHCD with a draft of the Replacement Housing Obligation Report for its review prior to publication.
(iii) **Other Reports.** OCII will collaborate with MOHCD on any other reports relating to the Retained Housing Obligation as required by local, state, or federal requirements.

b. **MOHCD Prepared Reports.**

(i) **Citywide Pipeline Report.** MOHCD will prepare and maintain on a quarterly basis a citywide multifamily housing project “Pipeline Report” that will include all known Retained Housing Obligations based on data provided by OCII. Such a report will include, but is not limited to, the following data elements: project name and location, project sponsor, population type, unit totals, MOHCD or OCII project designation, and construction start and completion dates (estimated as applicable). MOHCD will provide OCII with a draft of the Citywide Pipeline Report for its review prior to any publication or distribution, and OCII will not distribute or publish the Citywide Pipeline Report without MOHCD approval.

(ii) **Marketing Outcomes Reports.** MOHCD will provide reports on the outcomes of the leasing or sales of OCII affordable units (both funded and inclusionary) to ensure compliance with the marketing requirements of enforceable obligation(s). Such reports will include the relevant occupancy preferences required by the enforceable obligation documents, ethnicity, and geographic origin of the household.

(iii) **Other Reports.** MOHCD will collaborate with OCII on any other reports relating to the Retained Housing Obligation as required by local, state, or federal requirements.

9. **Ancillary Administrative Costs.** As part of the annual budget process the Parties will work to identify any ancillary administrative costs related to the implementation of this MOU, such as office space, reception services, or other services as needed, and will include those costs in the OCII annual budget.

10. **Timekeeping and Billing of Staffing Services.**

a. **Timekeeping.** OCII and MOHCD will work collaboratively to provide annual billing instructions to OCII and MOHCD staff that will indicate the appropriate project billing codes to be used in employee timesheets. The parties agree to use best efforts to ensure accuracy in all timesheets.

b. **Allocation of City Attorney Billing.** OCII and MOHCD will work collaboratively to ensure that City Attorney charges billed to each department are properly allocated to the correct department and funding source.

c. **Billing.** OCII’s ability to pay invoices within 30 days of receipt of an invoice is subject to DOF authorization of such payment on OCII’s ROPS. Thus MOHCD and OCII will provide invoices for any staffing services in association with this MOU for each of the Parties respective review and approval on a quarterly basis, with invoices for the 2nd and 4th quarter of each fiscal year due within 21 days after the close of that quarter in order for invoices to reviewed and payments approved consistent with the ROPS.
11. **Records Management.** Throughout the entire development process, OCII and MOHCD shall maintain all records for individual affordable housing projects per each party’s record retention policies and procedures. OCII shall provide MOHCD with copies of all relevant documents at the time completed housing assets are transferred to MOHCD pursuant to Dissolution Law.

12. **Cooperation.** The Parties agree to cooperate with and assist each other in undertaking all efforts to accomplish the proposed transactions contemplated by this MOU. Any and all actions or proceedings undertaken by OCII and the City in accordance with this MOU shall be subject to approval as required under applicable laws and regulations, and any future discretionary approvals will be subject to the exercise of discretion by policy makers.

13. **Term.** The term of this MOU shall begin on the date it is signed by all of the parties below and shall end on the earlier of (i) the date when the parties enter into an agreement which, by its terms, terminates this MOU, or (ii) the date when all Retained Housing Obligations have been completed.

14. **Discretion of Parties.** OCII and MOHCD, including their respective boards, commissions, departments, and officials, each shall exercise its sole discretion over all matters relating to this MOU over which it has jurisdiction consistent with legal requirements, customary practices, and public health, safety, convenience and welfare, and each shall retain, at all times, its respective authority to take any action under its jurisdiction that is necessary to protect the health, safety, convenience and welfare of the public.

15. **Sunshine Ordinance.** OCII and MOHCD acknowledge and agree that MOHCD is subject to the City’s Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 et seq.), and as a result, this MOU and any and all records, information and materials submitted to the City hereunder are subject to public disclosure under the provisions of those laws.

16. **Miscellaneous.** (a) This MOU may be amended or modified only by a writing signed by the Executive Director of OCII, or his or her designee, and the Director of MOHCD, or his or her designee. (b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such written waiver. (c) This MOU contains the entire understanding between the parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City’s Charter and codes and applicable state and/or federal laws.

17. **Recitals.** The Recitals above are expressly incorporated herein and made a part of this MOU by this reference.
IN WITNESS WHEREOF, the parties have caused this MOU to be executed as of the date first written above.

MOHCD:  
Approved as to form:  
Dennis J. Herrera  
City Attorney  
___________________  
Deputy City Attorney  

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
By:  
Olson Lee, Director  

Date:  

OCII:  
Approved as to form:  
James Morales  
Interim General Counsel  
___________________  

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE  
By:  
Tiffany Bohee, Executive Director  

Date:  

OCII Commission Resolution No.________  
Adopted __________

Exhibit A: MOHCD Underwriting Guidelines & Policies  
A-1:  Current Underwriting Guidelines  
A-2:  A&E Basic Services Fee Guidelines & Fee Schedule (Appendix A)  
A-3:  Tax Credit Developer Fee Policy  
A-4:  Non-Tax Credit Developer Fee Policy  
A-5:  MOHCD Asset Management Fee Policy  
A-6:  Residual Receipt Policy  
A-7:  Subordination Policy  
A-8:  Commercial Space Policy  
A-9:  Bicycle Parking Policy