MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU"), dated June 25, 2012, is by and between DEPARTMENT OF PUBLIC WORKS ("DPW") and THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO ("Successor Agency"), both part of the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation of the State of California, acting by and through its OFFICE OF THE CITY ADMINISTRATOR.

A. PURPOSE:

The purpose of this Memorandum of Understanding ("MOU") between DPW and the Successor Agency is to describe the work to be performed by DPW in exchange for funds transferred by the Successor Agency. DPW will cause to be completed the South of Market Alleyways Improvements Project, Phase 2 (the "Project") in exchange for matching funds from the Successor Agency and a grant from the Metropolitan Transportation Commission ("MTC"), Transportation for Livable Communities ("TLC") program.

This Project will create safer pedestrian spaces in underutilized alleys that connect major commercial corridors. The Project will improve the appearance of the alleyways, improve the quality of life for residents and visitors, and slow automobile traffic in order to make the streets safer for pedestrians and bicycles. Phase 1 included new street trees, new street lights, special roadway paving, raised crosswalks, chicanes (alternating-side-of-street parking), and art enrichment on the alleyways between Mission, Folsom, Sixth and Seventh Streets. Phase 2 will implement similar treatments to Minna, Natoma, Clementina, Tehama, Shipley and Clara Streets between Fifth to Sixth Streets.

B. BACKGROUND:

On April 22, 2010, staff of the former Redevelopment Agency of the City and County of San Francisco ("Redevelopment Agency") submitted an application to the MTC for a grant from the TLC Program. The program is funded through the federal government’s Congestion Mitigation and Air Quality Improvement Program ("CMAQ") and administered regionally by MTC. As the congestion management agency for San Francisco, the San Francisco County Transportation Authority ("SFCTA") is responsible for coordinating the City’s grant applications to MTC. After considering the program objectives, the Redevelopment Agency submitted an application for the Project for preliminary consideration to SFCTA in January 2010.

SFCTA placed the Project on the priority list to represent San Francisco County as an applicant for the grant funds. On April 22, 2010, Redevelopment Agency staff submitted the completed TLC application to the MTC requesting $1.38 Million to be matched by $959,400 of local funds. In July 2010 MTC approved the request and required a commitment of funds by the Redevelopment Agency Commission. On August 3, 2010, the Redevelopment Agency Commission adopted Resolution No. 103-2010 committing
the Redevelopment Agency to provide $959,400 in non-federal matching funds and its intent to comply with the requirements of the TLC program.

With the dissolution of the Redevelopment Agency on February 1, 2012, all expenditures considered necessary to meet enforceable obligations are payable through the Successor Agency, subject to review and approval by the Successor Agency’s Oversight Board. The Successor Agency’s Recognized Obligation Payment Schedule (“ROPS”) for the period of January 1, 2012 – June 30, 2012 lists the payment of the matching funds to DPW. The ROPS was approved by the Oversight Board and subsequently the State Department of Finance. The source of funds for the matching portion of the grant is tax-exempt bond proceeds.

C. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

Given that this Project was selected as one of three projects to compete for federal funds it is in the City’s best interest to complete the Project as intended. Prior to dissolution of redevelopment agencies across the State, pursuant to ABX26, it was the intent of the Agency to contract with DPW to perform the work outlined below. The Agency has an enforceable obligation to effectuate its obligations as included in the grant application and the Redevelopment Agency Resolution No. 103-2010.

D. SCOPE OF SERVICES:

DPW will provide construction documents, contract administration, construction management and project closeout for the South of Market Alleyway Improvements Project, Phase 2. DPW will complete the Project as planned and designed and within the time set by the MTC. This Project is on the MTC calendar to begin construction in 2013.

E. DETAILS OF PAYMENT:

The Successor Agency shall pay DPW a total aggregate amount not to exceed $959,400. DPW has already been paid $98,942 by the former Redevelopment Agency for design services, and this MOU is for payment of $860,458, for a total amount of $959,400. The funds shall be used as the matching funds for the $1.38 million MTC TLC grant received by the Redevelopment Agency and DPW in July 2010. Upon receipt of the remaining matching funds, DPW will obligate and expend the MTC TLC funds for the construction phase, and commence and complete the Project.

The total estimated budget for the South of Market Alleyway Improvements Project, Phase 2, as presented to MTC, is detailed below:
The Redevelopment Agency Commission approved a letter agreement with DPW for design, permitting, and construction management of the Project for $266,200 on December 7, 2010. DPW has prepared 100% construction drawings and has been paid $98,942 from the Redevelopment Agency in accordance with this letter agreement. The letter agreement has since expired; however, DPW is still owed $167,258 for services rendered under this letter agreement. In order to reach the $959,400 matching requirement, a total of $860,458 must be transferred to DPW to avoid the risk of losing the MTC grant and to complete the Project. Upon execution of this MOU, the Successor Agency shall transfer the lump sum balance of the matching funds in the amount of $860,458 to DPW.

F. INSURANCE

The parties acknowledge and agree that the City and County of San Francisco (“City”) self-insures in the areas of general liability, automobile liability and workers’ compensation and that such self-insurance shall cover any losses, claims or damages incurred by the City, including the Successor Agency, directly or indirectly arising out of or connected with DPW’s performance of this MOU, and any of DPW’s activities related to this MOU, excluding the willful misconduct or gross negligence of the person or entity seeking to be defended, indemnified or held harmless. However, at its sole discretion City may purchase a policy of insurance to cover against any potential exposure to loss under this Agreement. DPW shall require any subcontractors to maintain insurance in compliance with City Policy.

G. EFFECTIVE DATE

This MOU shall be effective on the date first stated above.
BY SIGNATURE BELOW, THE PARTIES CERTIFY THAT THE INDIVIDUALS LISTED IN THE DOCUMENT AS REPRESENTATIVES OF THE MOU AND ARE AUTHORIZED TO ACT IN THEIR RESPECTIVE AREAS FOR MATTERS RELATED TO THIS AGREEMENT:

CITY AND COUNTY OF SAN FRANCISCO  
AS SUCCESSOR TO THE SAN FRANCISCO REDEVELOPMENT AGENCY

By: __________________________  
Tiffany Bohee  
Executive Director

DEPARTMENT OF PUBLIC WORKS

By: __________________________  
Mohammed Nuru  
Director