

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 13-2024

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH SAN FRANCISCO PUBLIC WORKS FOR ITS INFRASTRUCTURE TASK FORCE TO PROVIDE COORDINATING SERVICES FOR THE COMPLETION OF INFRASTRUCTURE IMPROVEMENTS RELATED TO ENFORCEABLE OBLIGATIONS IN THE TRANSBAY REDEVELOPMENT PROJECT AREA IN AN AMOUNT NOT TO EXCEED \$100,000 FOR FISCAL YEAR 2023-2024 AND IN AMOUNTS NOT TO EXCEED \$100,000 ANNUALLY IN FUTURE FISCAL YEARS, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; TRANSBAY REDEVELOPMENT PROJECT AREA

WHEREAS, In furtherance of the objectives of the Community Redevelopment Law of the State of California (“CRL”), the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted the development project area known as the Transbay Redevelopment Project Area (the “Project Area”); and,

WHEREAS, In 2003, the Transbay Joint Powers Authority (“TJPA”), the City and County of San Francisco (“City”), and the State of California, acting by and through its Department of Transportation (“Caltrans”), entered into a Cooperative Agreement, which set forth the process for the transfer of certain State-owned parcels in the Project Area to the City and the TJPA. Also in 2003, the California Legislature enacted Assembly Bill No. 812 (Statutes 2003, chapter 99), codified at Cal. Public Resources Code § 5027.1, which requires that thirty-five percent (35%) of new housing developed in the Project Area shall be affordable to low- and moderate-income households (“Transbay Affordable Housing Obligation”). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (“Implementation Agreement”) which requires the Former Agency to prepare and sell these formerly state-owned parcels or retain them to implement the Redevelopment Plan, including, among other things, the construction and funding of new infrastructure improvements including parks and streetscape improvements; and,

WHEREAS, The City’s Board of Supervisors (“Board of Supervisors”) approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05, adopted on June 21, 2005, and by Ordinance No. 99-06, adopted on May 9, 2006, filed in the Office of the Recorder of the City and County of San Francisco (“Official Records”) as Document No. 2006-I224836, as amended by Ordinance No. 84-15 (June 16, 2015)) as Document No. 2015-K135871, as amended by Ordinance No. 62-16 (April 26, 2016) as Document No. 2016-K333253, as amended by Ordinance No. 09-23 (January 24, 2023) as Document No. 2023041529, and as it may be amended from time to time (“Redevelopment Plan”); and,

- WHEREAS, The Redevelopment Plan was adopted with the purpose of redeveloping 10 acres of property owned by the State of California (the “State-owned parcels”) to generate funding for the TJPA to construct the new Transbay Transit Center, now commonly referred to as the Salesforce Transit Center (the “STC”); and,
- WHEREAS, The Project Area Design For Development (“Design for Development”) published in 2003 is an accompanying document to the Redevelopment Plan and provides frameworks for land use, circulation and parking, streetscape and open space, and development within the Project Area; and,
- WHEREAS, In 2006, the Former Agency and the San Francisco Planning Department (“Planning Department”), in collaboration with other City agencies and the TJPA, commissioned the production of the 2006 Transbay Streetscape and Open Space Concept Plan (the “Streetscape and Open Space Plan”). On November 21, 2006, the Former Agency Commission approved, by Resolution No. 153-06, the Streetscape and Open Space Plan. The Streetscape and Open Space Plan includes design 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. Furthermore, the Streetscape 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; and,
- WHEREAS, On February 1, 2012, the State of California dissolved all redevelopment agencies, including the Former Agency, by operation of law pursuant to California Health and Safety Code Sections 34170 et seq. (“Redevelopment Dissolution Law”). Under the authority of the Redevelopment Dissolution Law and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“Commission”) and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency to the Former Agency (commonly known as the Office of Community Investment and Infrastructure or “OCII”) is administering the enforceable obligations of the Former Agency; and,
- WHEREAS, On April 15, 2013, the California Department of Finance (“DOF”) determined “finally and conclusively” that the Implementation Agreement, along with other Transbay-related documents, is an enforceable obligation that will not require future DOF review, although expenditures under the Implementation Agreement are subject to continuing DOF review. Thus, the Implementation Agreement is an enforceable obligation that requires OCII to among other things, “execute all activities related to the implementation of the Redevelopment Plan, including but not limited to, activities related to major infrastructure improvements.” (Section 2.1 (d) of the Implementation Agreement at p. 4); and,

WHEREAS, In accordance with the Redevelopment Plan, Implementation Agreement, Transbay Affordable Housing Obligation, the Design for Development, and the Streetscape and Open Space Plan, OCII is responsible for preparing formerly State-owned parcels for (1) sale and private development, (2) affordable housing development, and (3) public open spaces including parks. Furthermore, OCII is also responsible for certain streetscape improvements throughout Zone One of the Project Area including but not limited to sidewalk widening, vehicular and pedestrian public right-of-way upgrades, infrastructure (including utility relocation) upgrades, and tree and vegetation planting; and,

WHEREAS, In 2000, San Francisco Public Works (“Public Works”) formed within its department an Infrastructure Task Force (“ITF”) to serve as a central point of contact between large developments, such as OCII’s redevelopment project areas, and the various City agencies involved with new infrastructure development. These City agencies include Public Works, the Municipal Transportation Agency (“MTA”), and the Public Utilities Commission (“PUC”), among others. ITF assists private developer and public agency projects with coordination, implementation, and acceptance of new infrastructure; and,

WHEREAS, OCII’s remaining projects under the Redevelopment Plan include Transbay Blocks 2, 3, 4, and 12, Under Ramp Park, and streetscape and infrastructure improvements related to those projects (collectively, “Remaining Transbay Scope of Work”). Unlike Hunter’s Point Shipyard/Candlestick Point or Mission Bay, the Project Area is OCII’s sole redevelopment project without a master developer directing the redevelopment efforts. In Transbay, OCII and various City agencies collectively serve as the Transbay master developer, requiring detailed coordination among the parties; and,

WHEREAS, Public Works is the City agency responsible for infrastructure improvements within the public right-of-way. To date, OCII has hired Public Works to provide project management, design and engineering, and City agency coordination services for three specific Transbay projects: (1) Folsom Street Improvement Project, (2) Block 3 Park and Street Improvements Project, and (3) the Under Ramp Park Project. The partnership between OCII and Public Works on these three projects was needed to ensure City acceptance of specific public realm improvements upon each project’s completion; and,

WHEREAS, To facilitate the completion of its enforceable obligations, OCII requires ITF assistance in the following matters: facilitating the mapping actions for Transbay Blocks 2, 3, and 4; coordinating with City Agencies to resolve conflicts regarding vertical and horizontal project infrastructure designs; facilitating with City Agencies to optimize the design and delivery of infrastructure designs; generating Public Works Director’s Orders; processing and issuing Notices of Completion for infrastructure improvements; facilitating the City’s acceptance of completed Transbay infrastructure projects; and other support matters related to enforceable obligations requested by OCII; and,

WHEREAS, OCII now desires to enter into an agreement with Public Works' ITF to provide professional services assisting OCII in coordinating infrastructure improvements related to enforceable obligations with City agencies for OCII's Remaining Transbay Scope of Work ("Transbay ITF MOU"); and,

WHEREAS, OCII seeks to reimburse Public Works for services rendered since the beginning of fiscal year 2023-24 to the present day. The ITF services to be reimbursed include facilitating the Transfer Map approval for Transbay Blocks 2, 3, and 4 and the Final Map approval for Transbay Blocks 2 East and 2 West; Block 2 Street Improvement Permit plan review and coordination with other City departments; coordination of infrastructure development between the two Block 2 affordable housing developments and the Block 3 park; and design review, logistics planning and City acceptance guidance for the planned widened sidewalks along Main and Beale Streets along Transbay Blocks 2, 3, and 4. The ITF has provided OCII with an invoice for these services which would be paid promptly upon the approval of the Transbay ITF MOU.

WHEREAS, The cost for Public Works ITF's services under the Transbay ITF MOU will be an amount not-to-exceed \$100,000 annually beginning in Fiscal Year 2023-24, subject to review and approval of invoices submitted by Public Works, and ending upon one year following the completion of OCII's Transbay enforceable obligations. Therefore, the Transbay ITF MOU term covers ITF services for one year prior to the execution of the MOU and will be subject to annual appropriation by the Successor Agency Commission and Board of Supervisors; and,

WHEREAS, OCII staff recommends approval of the agreement; and,

WHEREAS, The authorization of the Transbay ITF MOU is not subject to environmental review under the California Environmental Quality Act ("CEQA") because it is an organizational and administrative activity of government that will not result in any direct or indirect physical changes in the environment and is therefore not a "project" as defined by CEQA Guidelines Section 15378; now therefore, be it

RESOLVED, The Commission hereby approves and authorizes the Executive Director to enter into the Transbay ITF MOU (in substantially the form attached to this resolution as Exhibit A) between OCII and the City and County of San Francisco, acting through its Public Works Department, to expend funds in an amount of \$100,000 for fiscal year 2023-24, and to expend in future fiscal years subject to annual appropriation under the Recognized Obligations Payment Schedule and fiscal year budgets.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 21, 2024.

Commission Secretary

Attachment 1: Memorandum Of Understanding Between San Francisco Public Works' Infrastructure Task Force and The Successor Agency to the Redevelopment Agency of the City and County of San Francisco for the Infrastructure Task Force to Provide Professional Services Related to Implementation of the Transbay Redevelopment Project

Memorandum of Understanding & Fee Proposal for Professional Services by San Francisco Public Works' Infrastructure Task Force to support Implementation of the Transbay Redevelopment Project

This Memorandum of Understanding (“**MOU**”), dated as of _____, 2024 (“**Execution Date**”), is entered into by and between the City and County of San Francisco (“**City**”), acting by and through San Francisco Public Works (“**Public Works**”) 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 (“**Successor Agency**” or “**OCII**” and together with Public Works, the “**Parties**”).

RECITALS

- A. This Memorandum of Understanding (“**Agreement**”) between Public Works and OCII covers Public Works’ Infrastructure Task Force (“**ITF**”) infrastructure delivery support and coordination services to aide OCII and its development partners in completing infrastructure improvements throughout the Transbay Redevelopment Project Area (“**Redevelopment Plan**”) that are directly pertinent to OCII’s redevelopment and streetscape projects (“**Scope of Services**” as defined in Section 1 below).
- B. The ITF Scope of Services will assist OCII in meeting its obligations under the Redevelopment Plan, which was adopted by the City’s Board of Supervisors in June 2005. The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area (the “**Project Area**”) and divides the Project Area into two subareas: Zone One in which the Redevelopment Plan defines land uses, and Zone Two in which the San Francisco Planning Code applies. The Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”) and OCII have implemented the Redevelopment Plan through Related Plan Documents as described in Section 1.7 of the Redevelopment Plan. The Related Plan Documents include the Development Controls and Design Guidelines for the Transbay Redevelopment Project applicable in Zone 1 (the “**Development Controls**”), the Design for Development, the Streetscape & Open Space Concept Plan and the Implementation Agreement, an agreement with the Transbay Joint Powers Authority that establishes OCII’s obligation to implement the Redevelopment Plan.
- C. The State of California, through its Department of Finance, has approved, under the Redevelopment Dissolution Law, Cal. Health & Safety Code Section 34170 et seq., the Implementation Agreement as an enforceable obligation that survived the dissolution of the Former Agency in 2012.
- D. The City and County of San Francisco (“**City**”) further refined the Streetscape & Open Space Plan in the Transit Center District Plan (2012). The Redevelopment Plan, the Design for Development, the Transit Center District Plan, the Development Controls, and the Streetscape & Open Space Plan contemplate new public open spaces with ancillary facilities, new streets, and various streetscape improvements to encourage public and private investment, to enhance the quality of life of the neighborhood, and to complete a unified vision for the redevelopment of the Project Area.

- E. The Redevelopment Dissolution Law provides, among other things, that successor agencies may enter into contracts for the purpose of completing State-approved enforceable obligations of the Former Agency. Cal. Health & Safety Code § 34177.3 (b). *See also* Cal. Health & Safety Code § 34171 (d) (1) (F) (defining enforceable obligations to include “agreements necessary for the administration or operation of the successor agency”).
- F. OCII has a continuing need to review and approve infrastructure projects in the Project Area and desires to use the services of Public Works for this purpose.
- G. In accordance with the foregoing, OCII and the ITF are proposing this MOU for infrastructure delivery support and coordination services provided by the ITF to assist and streamline OCII’s delivery of its infrastructure obligations throughout the Project Area.
- H. OCII has provided (and will continue to provide) for the expenditures anticipated under this MOU in its Recognized Obligation Payment Schedules ("**ROPS**") that are required to be submitted semi-annually to the Oversight Board and the California Department of Finance ("**DOF**") and in its annual budget that is approved by the Board of Supervisors. To the extent approved by DOF and the Board of Supervisors, OCII will use Redevelopment Property Tax Trust Fund ("**RPTTF**") proceeds and other available funding sources to pay Public Works for the Scope of Services.

Now, THEREFORE, OCII and Public Works agree as follows:

1. SCOPE OF SERVICES

OCII has engaged the ITF to facilitate the development of the Project Area in accordance with the Redevelopment Plan and Related Plan Documents and provide, when requested by OCII, the following services related to the Transbay Blocks 2 and 4 mixed use housing developments, the Block 3 and Under Ramp parks Projects, the Main and Beale streetscape improvement projects, and the Block 12 housing development. The services include but are not limited to:

- Receive, review, and circulate Blocks 2, 3 & 4 Transfer Map application and related mapping documents.
- Receive, review, and circulate Blocks 2, 3 & 4 Final Map(s) application and related mapping documents.
- Coordinate with City Agencies to address and resolve conflicts that arise in the mapping, design and permitting phases of public and private projects related to infrastructure design and approvals.
- Review, propose solutions for, and facilitate the approvals of vertical and horizontal project infrastructure designs, including but not limited to streetscape designs, landscape designs, and open space designs.

- Facilitate with other City agencies to bring their expertise and best practices towards optimizing OCII project infrastructure designs that balance the requirements for safe and enjoyable pedestrian, transportation, bicycle and vehicular access into and throughout the Project Area, and the need for well-designed open spaces, in accordance with the Redevelopment Plan, its supporting documents, and relevant codes and policies.
- Attend monthly project meetings.
- Attend field site visits and design and construction coordination meetings to ensure the timely and efficient delivery of infrastructure improvements.
- Generate Public Works Director's Orders, as applicable.
- Process and issue Notices of Completion for infrastructure improvements.
- Schedule, as needed, Director Hearings on any project design exemptions or deferrals
- Upon the completion of construction, facilitate the processing of the Infrastructure Acceptance packages in preparation for Board of Supervisor meetings.
- Process the recordation of maps, easements or agreements as required.
- Other matters as requested by OCII

2. TERM

The term of this MOU shall begin on the Effective Date and shall end upon the expiration of the Redevelopment Plan; provided, however, that the MOU may be terminated as described in Section 6.

3. BUDGET AMOUNT AND AUTHORITY

a. Annual Budget.

On an annual basis, OCII and the Public Works ITF shall collectively review the Transbay Annual Work Plan (as defined in Section 3.b. below) from which ITF shall prepare a draft of the ITF Transbay Annual Budget (as also defined in Section 3.b. below). The Transbay Annual Work Plan will therefore inform the ITF Transbay Annual Budget, and the final FY ITF Transbay Annual Budget may be lesser or greater than the amount approved in OCII's ROPS and annual budget.

OCII and Public Works agree that Public Works reserves the right to change the staff persons filling the specific staff roles listed in Exhibit 1. The Public Works ITF Manager must inform OCII in writing if Public Works desires to augment or reduce the Public Works staffing covered by this MOU. The request shall include:

- (i) The reason for the proposed change;
- (ii) The name and staff role of the person to be added or removed from the Transbay ITF team;
- (iii) The anticipated monthly ITF staff hours proposed to be added or removed;
- (iv) The rate and overhead factor for the position being added or removed; and

(v) The anticipated monthly and yearly fiscal impact of the change.

Upon receiving the request to change ITF staffing, OCII staff shall review and provide written confirmation or denial to Public Works within 10 working days.

- b. ITF Services for Budget Planning and ROPS Preparation. Public Works shall work collaboratively with OCII to establish the budget and anticipated expenditures for the annual Scope of Services to be included in OCII's ROPS budget submitted to the DOF. OCII's Transbay Project Manager will share with the ITF Project Manager the Transbay Annual Work Plan ("**Annual Work Plan**") for the forthcoming FY such that the ITF can provide OCII with a FY staffing plan and budget ("**ITF Transbay Annual Budget**") based on the Annual Work Plan.
- c. Subject to ROPS and Annual Budget Authority. Amounts available are subject to OCII receiving sufficient expenditure authority approval by the DOF and the Board of Supervisors. OCII will notify Public Works immediately of any deficiencies in these budget authorizations.
 - (i) Unbudgeted Expenditures. The ITF must obtain written approval from OCII for any unbudgeted expenditures and services. OCII will not reimburse Public Works for unbudgeted expenditures and services incurred without prior written approval. OCII cannot reimburse Public Works for unbudgeted expenditure amounts that, when added to the approved ITF Annual Budget, exceed the Transbay total annual expenditure authority approved by the DOF and Board of Supervisors.
 - (ii) Budget Shortfalls. The ITF will notify OCII as soon as possible if the amounts budgeted in this MOU are insufficient to provide the agreed-upon Scope of Services.
- d. Retroactive Reimbursement for ITF Scope of Services Costs in FY 2023-2024. OCII's FY 2024-2025 annual budget includes expenditure authority for the payment of services rendered between July 1, 2023 – June 30, 2024. If the Commission, DOF and the Board of Supervisors approve this expenditure authority, OCII may reimburse Public Works for prior services, subject to OCII's review and approval, under its Financial Controls, of specific invoices meeting the standards in Section 4. All ITF staff costs incurred after July 1, 2023, shall be billed to OCII on quarterly basis for FY 2023-2024.

4. DOCUMENTATION VERIFYING ACTUAL COSTS OF DIRECT SERVICES

- a. Public Works will document its personnel costs for services provided under this MOU in the following way:
 - (i) Hourly rate = salary (as defined in Section 5.a.iv and 5.b.iii) + mandatory fringe benefits. Actual labor charges submitted as part of the Performing Department's billing must be supported by a City Labor Distribution Report ("**LDR**") or similar payroll report to verify the actual cost of employee salary and fringe benefits. Labor charges submitted must not be based on estimated FTE, a budgeted amount, or a percentage allocation that is not reviewed and approved in advance by the OCII as

- part of a Citywide cost allocation plan.
- (ii) Hours worked on OCII tasks.
- (iii) Classification number of position and title.
- (iv) Description of tasks performed.

5. BILLING PROCEDURES

- a. Throughout the term of this MOU, Public Works shall submit an invoice to OCII on a quarterly basis within 30 days of the end of the quarter (e.g., October 30, 2023, for Q1, January 30, 2024, for Q2, April 30, 2024, for Q3, July 30, 2024, for Q4. etc.) not to exceed the budgeted amount for the FY. The invoice shall describe the services provided and include sufficient information to determine the methodology used to determine the costs.
- b. For any given FY, OCII can only pay amounts approved by its Oversight Board and DOF on a ROPS for that fiscal period. OCII shall endeavor to budget and obtain DOF approval for amounts sufficient to pay Public Works in full for ITF's services within a timely fashion after the services are rendered and billed..
- c. OCII will pay invoices or notify Public Works of any questions regarding the invoice within 30 days of receipt.
- d. Public Works hourly rates billed to OCII for the Scope of Services will be based on salary + mandatory fringe benefits. Actual labor charges submitted as part of Public Works billing must be supported by a City LDR or similar payroll report to verify the actual cost of employee salary and fringe benefits. Labor charges submitted must not be based on estimated full time employee(s) ("FTE"), a budgeted amount, or a percentage allocation that is not reviewed and approved in advance by OCII.

6. AMENDMENTS OR TERMINATION

This MOU may be amended by mutual agreement of both Parties. This MOU may be terminated by either party with 30 days' advance, written notice, subject to OCII payment of applicable costs incurred through the termination date.

7. DISPUTE RESOLUTION PROCEDURES

If Public Works has a billing dispute with OCII, it must attempt to resolve the billing dispute with the responsible OCII manager. If the Parties are unable to reach agreement, the dispute will be resolved with OCII's Finance and Administration Deputy Director. If an agreement still cannot be reached, Public Works and OCII's Finance and Administration Deputy Director will meet with the Deputy Controller to finally resolve the matter. Public Works and OCII shall comply with this internal dispute resolution procedure prior to filing any claim or commencing litigation to resolve any billing dispute.

8. COUNTERPARTS

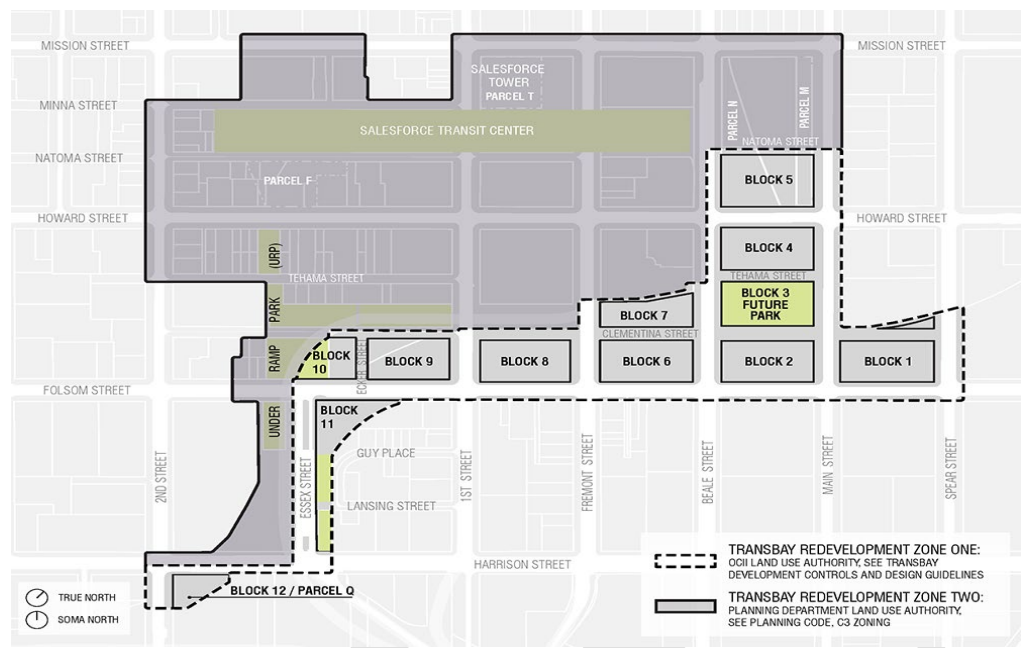
This MOU may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same document, binding on all Parties hereto notwithstanding that each of the Parties hereto may have signed different counterparts. Delivery of this MOU may be effectuated by hand delivery, mail, overnight courier services, or electronic communication (including by PDF sent by electronic mail, facsimile, or similar means of electronic communication). Any electronic signatures shall have the same legal effect as manual signatures.

MOU EXHIBITS

Exhibit 1: Transbay Project Area Map and Development Program

Exhibit 2: Example ITF Transbay Annual Budget

Exhibit 1: Transbay Project Area Map and Development Program



When fully built out, Transbay will deliver new construction at the approximate figures in Table A below.

TABLE A: TRANSBAY ZONE ONE DEVELOPMENT PROGRAM

Total Housing	3,800 units
Affordable Housing	1,400 units
Park and Open Space	3.5 acres
Office Space	800,000 square feet

Exhibit 2: Example ITF Transbay Annual Budget

Staff Role	Staff Person	Classification	Hours Per Month	Rate	Overhead Factor	Extension
ITF Manager	Denny Phan	5508	2	\$120.14	2.81	\$675.19
Project Manager	Cathal Hennessy	5506	12	\$107.73	2.81	\$3,632.66
Eng Review	John Kwong	5241	8	\$68.08	2.81	\$1,530.44
Admin	Natalie Villegas	1823	4	\$50.28	2.81	\$565.15
Bureau of Street Use and Mapping	Jacob Rems	5216	2	\$90.50	2.81	508.61
Public Work Disability Coordinator	Kevin Jensen	6335	2	\$102.59	2.81	576.5558
					Monthly Subtotal	\$7,488.59
					Yearly	\$89,863.13
					Contingency (10%)	\$8,986.31
					Subtotal	\$98,849.44
					Total Rounded	\$100,000.00

This MOU has been entered into on the date(s) below.

Office of Community Investment and Infrastructure
Thor Kaslofsky, Executive Director

Date

Approved as to form:

By: _____
James B. Morales
General Counsel and
Deputy Director

San Francisco Department of Public Works
Carla Short, Director

Date

Approved as to form:
DAVID CHIU
CITY ATTORNEY

By: _____

Deputy City Attorney