File No. 120366 Committee Item No. 14
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Land Use and Economic Development **Date** June 25, 2012

Board of Supervisors Meeting **Date** _____

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☒	☐	Planning Director's Report, dtd 4/19/12
☒	☐	Planning Commission Motion No. 18592
☒	☐	Planning Commission Resolution No. 18602
☒	☐	Municipal Transportation Agency Resolution No. 12-064
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* ☒	☐	Development Agreement
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☐	☐	
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Completed by: Alisa Miller **Date** June 22, 2012
Completed by: _____ **Date** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center]

Ordinance: 1) approving a Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, for certain real property associated with the California Pacific Medical Center Long Range Development Plan located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus, and California Campus; 2) making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and 3) waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith.

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Project Findings. The Board of Supervisors makes the following findings:

(a) California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.

(b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth certain procedures for the processing and approval of development agreements in the City and County of San Francisco (the "City").

(c) Sutter West Bay Hospitals, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("CPMC"), is the owner of certain real property associated with the CPMC Long Range Development Plan ("LRDP") located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus and California Campus (the "Project Sites").

(d) CPMC's proposed LRDP describes an integrated, modern system of health care with medical facilities that would comply with State of California hospital seismic safety laws under a city-wide system of care. The LRDP proposes three state-of-the-art acute care hospitals, increasing the number of San Francisco's earthquake safe hospital beds, creating 1,500 construction jobs (anticipating approximately $2.5 billion in total development costs), retaining and growing over 6,000 existing CPMC jobs and improving health care access for San Franciscans.

(e) CPMC's 2008 Institutional Master Plan describes CPMC's LRDP. Following the San Francisco Planning Commission and the Public Health Commission hearings on the Institutional Master Plan, the Planning Commission on November 19, 2009 accepted the IMP, and in November 2011, the IMP was updated, all in compliance with San Francisco Planning Code Section 304.5 (as so updated, the "IMP").

(f) On March 30, 2012, CPMC filed an application with the City's Planning Department for approval of a development agreement relating to the Project Sites (the "Development Agreement") under Chapter 56. A copy of the Development Agreement is on file with the Clerk of the Board in File No. 120360. Developer also filed applications with the Department for certain activities described in Exhibit B to the Development Agreement (together with the Development Agreement, the "Project"). The Project includes the "Near Term Projects," which generally include the following: (i) on the St.

Luke's Campus, a new replacement hospital, renovation and reuse of the 1957 Building, demolition of the existing hospital tower, construction of a new medical office building, and construction of an entry plaza, courtyard and public pedestrian pathway; (ii) on the new Cathedral Hill Campus, a new hospital and medical office building and the renovation and reuse of an existing office building as a full medical office use; and (iii) on the Davies Campus, a new Neuroscience Institute building. The Project also proposes that a portion of the San Jose Avenue right-of-way between Cesar Chavez Street and 27th Street will be vacated by the City and transferred to CPMC for incorporation into the St. Luke's Campus, and that a pedestrian tunnel will be constructed beneath Van Ness Avenue connecting the eastern portion of Cathedral Hill Hospital to the western portion of the Cathedral Hill MOB.

(g) CPMC also proposes certain Long-Term Projects (as also described in Exhibit B to the Development Agreement), which are subject to additional review and approvals and generally include the following: (i) on the Davies Campus, a new medical office building; and (ii) on the Pacific Campus, an ambulatory care center addition including administrative and medical office uses and underground and above-ground parking facilities.

(h) Concurrently with this Ordinance, the Board is taking a number of actions in furtherance of the Project, as generally described in Exhibit J to the Development Agreement.

(i) The Project would enable CPMC to continue to provide high-quality patient care using ground-breaking technology in seismically safe, state-of-the-art acute care hospitals, increasing the number of highest rated earthquake safe hospital beds, retaining and increasing emergency room capacity in San Francisco, and providing critical resources for San Francisco's disaster preparedness. In addition to the significant benefits which the City will realize due to CPMC's proposed Project, the City has determined that as a result of the development of the Project in accordance with the Development Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City

ordinances, regulations, and policies. Some of the major additional public benefits that would arise with implementation of the Project include: rebuilding St. Luke's Hospital at a cost of approximately $250 million; a workforce development program that includes a first source hiring program for construction and operation activities, a local business enterprise hiring agreement and a workforce training payment of $2 million; a community healthcare program which includes commitments for St. Luke's operation and a substantial health care services program for the poor and underserved; a housing program providing over $62 million to replacement units, affordable housing and down payment assistance; and transportation and public improvement funding, all as more particularly described in the Development Agreement. The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project Sites.

Section 2. CEQA Findings.

On April 26, 2012, by Motion No. 18588, the Planning Commission certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the California Pacific Medical Center Long-Range Development Plan. A copy of Planning Commission Motion No. 18588 is on file with the Clerk of the Board of Supervisors in File No. 120357. Also on April 26, 2012, by Motion No. 18589, the Planning Commission adopted findings, including a statement of overriding considerations and a mitigation monitoring and reporting program, pursuant to the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) ("CEQA"). In accordance with the actions contemplated herein, this Board has reviewed the FEIR and adopts and incorporates by reference as though fully set forth herein the findings, including a statement of overriding considerations, pursuant to CEQA, adopted by the Planning Commission on April 26, 2012 in Motion No. 18589. Said Motion is on file with the Clerk of the Board of Supervisors in File No. 120357.

Section 3. General Plan and Planning Code Section 101.1(b) Findings.

(a) The Board of Supervisors finds that the Development Agreement will serve the public necessity, convenience and general welfare for the reasons set forth in Planning Commission Resolution No. 18602 and incorporates those reasons herein by reference.

(b) The Board of Supervisors finds that the Development Agreement is in conformity with the General Plan, as proposed to be amended and when effective, and the eight priority policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission ~~Resolution~~ Motion No. 18592. The Board hereby adopts the findings set forth in Planning Commission ~~Resolution~~ Motion No. 18592 and incorporates those findings herein by reference.

Section 4. Development Agreement.

(a) The Board of Supervisors approves all of the terms and conditions of the Development Agreement, in substantially the form on file with the Clerk of the Board of Supervisors in File No. 120366.

(b) The Board of Supervisors approves and authorizes the execution, delivery and performance by the City of the Development Agreement as follows: (i) the Director of Planning and (other City officials listed thereon) are authorized to execute and deliver the Development Agreement and consents thereto, and (ii) the Director of Planning and other applicable City officials are authorized to take all actions reasonably necessary or prudent to perform the City's obligations under the Development Agreement in accordance with the terms of the Development Agreement. The Director of Planning, at his or her discretion and in consultation with the City Attorney, is authorized to enter into any additions, amendments or other modifications to the Development Agreement that the Director of Planning determines are in the best interests of the City and that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City as provided in the

Development Agreement, subject to the approval of any affected City agency as more particularly described in the Development Agreement.

Section 5. Board Authorization and Appropriation.

By approving the Development Agreement, including its Exhibits, the Board of Supervisors authorizes the Controller and City Departments to accept the funds paid by CPMC as set forth therein, to maintain separate, interest-bearing accounts or subaccounts as contemplated therein, and to appropriate and use the funds for the purposes described therein. Any interest earned on the funds shall remain in the designated account or subaccount for use consistent with the identified purpose and shall not be transferred to the City's General Fund except as permitted by the Development Agreement.

Section 6. Chapter 56 Conformity.

The Development Agreement shall prevail in the event of any conflict between the Development Agreement and Administrative Code Chapter 56, and without limiting the generality of the foregoing clause, for purposes of the Development Agreement only, the provisions of Chapter 56 are waived or its provisions deemed satisfied as follows:

(a) CPMC shall constitute a permitted "Applicant/Developer."

(b) The provisions of Development Agreement Section 4.6 and the Workforce Agreement attached to the Development Agreement as Exhibit E shall apply in lieu of the provisions of Chapter 56, Section 56.7(c).

(c) The provisions of the Development Agreement regarding any amendment or termination, including those relating to "Material Change," shall apply in lieu of the provisions of Chapter 56, Section 56.15.

(d) The provisions of Chapter 56, Section 56.20 have been satisfied by the "Memorandum of Understanding on the Proposed CPMC Project" between CPMC and the Mayor's Office of Economic and Workforce Development, the Department of City Planning

and the Department of Public Works on file with the Clerk of the Board of Supervisors in File No. 120366.

Section 7. Chapter 56 Waiver; Ratification.

(a) In connection with the Development Agreement, the Board of Supervisors finds that the requirements of Chapter 56, as modified hereby, have been substantially complied with, and hereby determines that the CPMC Project taken as a whole constitutes the type of large multi-phase and/or mixed-use development contemplated by Section 56.3(g) and waives any procedural or other requirements of Chapter 56 if and to the extent that they have not been strictly complied with.

(b) All actions taken by City officials in preparing and submitting the Development Agreement to the Board of Supervisors for review and consideration are hereby ratified and confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken by City officials consistent with this Ordinance.

Section 8. Effective and Operative Date.

This ordinance shall become effective 30 days from the date of passage. This Ordinance shall become operative only on (and no rights or duties are affected until) the later of (a) 30 days from the date of its passage, or (b) the date that Ordinance _____, Ordinance _____, and Ordinance _____have become effective. Copies of said Ordinances are on file with the Clerk of the Board of Supervisors in File No. 120458, 120459, 120460.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Charles Sullivan
Deputy City Attorney

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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April 25, 2012

Planning Commission
Attn: Linda Avery
1660 Mission Street, 5th Floor
San Francisco, CA 94103

Dear Commissioners:

April 10, 2012, Mayor Lee introduced the proposed legislation regarding the California Pacific Medical Center Long Range Development Plan (list of legislation attached).

These proposed ordinance and resolutions are being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. They are pending before the Land Use & Economic Development Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Alisa Miller, Committee Clerk
Land Use & Economic Development Committee

c: John Rahaim, Director of Planning
Scott Sanchez, Zoning Administrator
Bill Wycko, Chief, Major Environmental Analysis
AnMarie Rodgers, Legislative Affairs
Monica Pereira, Environmental Planning
Joy Navarrete, Environmental Planning

CEQA Clearance under Final Environmental Impact Report for California Pacific Medical Center Long Range Development Plan, Case 2005.0555E, Certified April 26, 2012. CPC M-19588

4/30/12

To:	**Honorable Members of the San Francisco Planning Commissioners**
From:	**John Rahaim, Planning Director**
Re:	**California Pacific Medical Center (CPMC) Development Agreement**
Date:	**April 19, 2012**

Update: Director's Report Regarding the CPMC Development Agreement Negotiations

1. Introduction.

Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a Development Agreement will be processed and approved in the City and County of San Francisco. This report is being written in accordance with S.F. Administrative Code Section 56.10(a).

Sutter West Bay Hospitals doing business as California Pacific Medical Center ("CPMC") owns three sites of real property located in the City and County of San Francisco, California. The Cathedral Hill Campus located at 1100 & 1101 Van Ness Avenue (Assessor's Blocks and Lots 0695/005, 006; 0694/005, 006, 007, 008, 009, 009A, and 010). The St. Luke's Campus located at 3555 Cesar Chavez Street (Assessor's Blocks and Lots 6575/001, 002; 6576/021 and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street). The Davies Campus located at 601 Duboce Avenue (Assessor's Blocks and Lots, 3539/001).

CPMC filed an application with the City's Department of Planning for approval of a Development Agreement for the Project Site under Administrative Code Chapter 56. CPMC also filed applications with the Department of Planning for (1) General Plan Amendments under Planning Code section 340, (2) Zoning Map Amendment under section 302; (3) Planning Code amendment to create the Cesar Chavez/Valencia Streets Medical Special Use District, Planning Code section 249.68 (4) Planning Code amendment to create the Van Ness Medical Use Subdistrict within the Van Ness Special Use District, Planning Code section 243, and (5) Office Allocation Approval under Planning Code section 321.

All of these items are scheduled for your review and possible approval at the Commission meeting on April 26, 2012.

2. Background.

State law (SB 1953) requires that all acute-care hospitals be seismically upgraded such that they are operational after a major earthquake. Three of CPMC's four acute-care hospitals must be rebuilt or de-licensed in order to comply with state law, including the hospitals at California, Pacific, and St. Luke's Campus'.

Altogether, CPMC's intends to build five new buildings at three of their campuses. To meet the state law requirement, CPMC proposes to build a new hospital at the St. Luke's Campus. Acute-care services at the California and Pacific Campuses are proposed to be combined into a new hospital at the Cathedral Hill Campus. The Davies Campus was retrofitted in 2008, enabling this campus to accommodate acute-care hospital services until 2030.

3. **Development Agreement Negotiations.**

The City's Department of Planning has negotiated a Development Agreement for the Project. The parties begun negotiations in October 2010 and have continued negotiating through to March 26, 2012 the date the most recent draft of the Development Agreement was forwarded to the Planning Commission for consideration. A copy of all of the drafts of the Development Agreement that were exchanged between the parties can be found in the files of the City Department of Planning at 1660 Mission Street. These exchanged drafts reflect the items under negotiation throughout the process. Without limiting the foregoing, we note that the negotiations between the parties included the following meetings:

1) October 26, 2010. Meeting to discuss general term of the Development Agreement. Attendees include Ken Rich (Office of Economic and Workforce Development (OEWD)), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC). No agreements reached.

2) January 24, 2011. Meeting to discuss general term of the Development Agreement. Attendees include, Jennifer Matz (OEWD), Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

3) February 23, 2011. Meeting to discuss general terms of the Development Agreement. Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

4) March 17, 2011. Meeting to discuss general terms of the Development Agreement. Attendees include Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

5) April 20, 2011. Meeting to discuss the hospital commitment and general terms of the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

6) May 18, 2011. Meeting to discuss general terms of the Development Agreement, including termination, the hospital commitment, timing of community benefits, remedies and priority processing. Attendees include Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

7) June 1, 2011. Meeting to discuss general terms of the Development Agreement, including title of document, definition of terms, timing of community benefits, city cost recovery, termination, transfer of agreement, and future changes to existing standards. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Matthew Bove (Coblentz, Patch,

Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

8) August 10, 2011. Meeting to discuss the healthcare and housing obligations in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Starr Terrell (OEWD), Malcolm Yeung (Mayor's Office), Jennifer Matz (OEWD), Ken Rich (OEWD), Tamsen Drew (OEWD),Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Warren Browner (CPMC), Judy Li (Sutter West Bay), Mark Farrar (CPMC). No agreements reached.

9) August 24, 2011. Meeting to discuss the healthcare and housing obligations in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Malcolm Yeung (Mayor's Office), Ken Rich (OEWD), Tamsen Drew (OEWD),Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Warren Browner (CPMC), Judy Li (Sutter West Bay). No agreements reached.

10) September 7, 2011. Meeting to discuss housing and pedestrian safety obligations, St. Luke's Operating Commitment and grants to community clinics in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Malcolm Yeung (Mayor's Office), Jennifer Matz (OEWD), Ken Rich (OEWD), Tamsen Drew (OEWD),Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Michael Duncheon (General Counsel, Sutter West Bay), Judy Li (Sutter West Bay). No agreements reached.

11) October 5, 2011. Meeting to discuss CPMC Operating Margin and CPMC Community Benefits. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Robert Gamble (Public Financial Management (PFM)), Robert Guadagno (PFM), Greg Wagner (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.

12) October 10, 2011. Meeting to discuss remedies and damages for breach of the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

13) October 13, 2011. Meeting to discuss cost of 10,000 Medi-Cal Managed Care Beneficiaries. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Paige Siepes-Metzler (Aon-Hewitt), Greg Wagner (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.

14) October 17, 2011. Meeting to discuss cost of 10,000 Medi-Cal Managed Care Beneficiaries. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Paige Siepes-Metzler (Aon-Hewitt), Greg Wagner (DPH), Colleen Chawla (DPH), Tamsen Drew (OEWD). No agreements reached.

15) October 19, 2011. Meeting to discuss CPMC Operating Margin and CPMC Community Benefits. Attendees John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Robert Gamble (Public Financial Management (PFM)), Robert Guadagno (PFM), Greg Wagner (DPH), Colleen Chawla (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.

16) October 26, 2011. Meeting to discuss hospital commitment and other general terms in the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

17) October 31, 2011. Meeting to discuss health care terms in the Development Agreement including St. Luke's commitments. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.

18) January 9, 2012. Meeting to discuss healthcare terms including innovation fund, St. Luke's operating commitment, 10,000 Medi-Cal Managed Care Beneficiaries, and Baseline Healthcare obligation. Attendees include, Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Colleen Chawla (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC). No agreements reached.

19) January 11, 2012. Meeting to discuss healthcare obligations including the innovation fund. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Barbara Garcia (DPH), Greg Wagner (DPH), Colleen Chawla (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC).No agreements reached.

20) January 20, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.

21) January 23, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.

22) January 24, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.

23) February 27, 2012. Meeting to discuss proposed term sheet on business terms, including healthcare, housing, workforce, transit, and pedestrian safety. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Cyndi Kettmann (CPMC), Mark Farrar (CPMC). Tentative agreement reached.

24) March 3, 2012. Meeting to discuss outstanding business terms for transportation, housing and public improvements. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Mark Farrar (CPMC). No agreement reached.

25) March 7, 2012. Meeting to discuss hospital commitment, transportation, and tolling. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreement reached.

26) March 12, 2012. Meeting to discuss healthcare commitments including Baseline Healthcare Commitment, Medi-cal Managed Care Beneficiaries, Operating Margin, and Innovation Fund. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Joshua Steinhauer (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreement reached.

27) March 15, 2012. Meeting to discuss outstanding issues including transportation fees, damages, healthcare commitments. Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Colleen Chawla (DPH), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay), Cyndi Kettmann (CPMC). Tentative agreements reached.

28) March 19, 2012. Meeting to discuss outstanding business terms including public improvements, housing, healthcare and effect on City's Health Services System (HSS). Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Joshua Steinhauer (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). Tentative agreement reached.

29) April 17, 2012. Meeting to discuss Community Advisory Groups (CAG) and provisions for mental healthcare. Ken Rich (OEWD), Tamsen Drew (OEWD), Colleen Chawla (DPH), Charles Sullivan (Deputy City Attorney), Pam Duffy (Coblentz, Patch, Duffy, Bass), Tay Via (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Judy Li (CPMC). Tentative agreement reached.

4. Conclusion.

We believe that both parties negotiated in good faith and the end result is a project that, if constructed, will benefit the City.

This summary is prepared for information purposes only, and is not intended to change, supplant, or be used in the interpretation of, any provision of the Development Agreement. For any specific question or interpretation, or for any additional detail, reference should be made to the Development Agreement itself. I and my staff, as well as the City Attorney's Office, are available to answer any questions that you may have regarding the Development Agreement or the negotiation process.

SAN FRANCISCO
PLANNING DEPARTMENT

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San Francisco,
CA 94103-2479

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415.558.6377

April 27, 2012

Ms. Angela Calvillo, Clerk
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Numbers:**
2009.0885MTZCBRSK, 2009.0886MTZCBRSK, 2012.0403W:
California Pacific Medical Center Long Range Development Plan Project

BOS File No.'s: 120357, 120358, 120359, 120360, 120366, plus *pending* General Plan Amendment File No's_____ and _____.
Planning Commission Recommendation: *Approval*

Dear Ms. Calvillo,

Attached please find one original hardcopy plus this electronic transmittal of the proposed General Plan Amendment Ordinances, Planning Code Text Amendment Ordinances, Zoning Map Amendment Ordinances, and a Development Agreement Ordinance (collectively, the "Ordinances") for Board of Supervisors' approval. These Ordinances are associated with the California Pacific Medical Center Long Range Development Plan Project (hereinafter "CPMC LRDP Project"), which is a multi-phased development strategy to meet state seismic safety requirements for hospitals and to create a 20-year framework for CPMC's four existing medical campuses and for construction of a proposed new medical campus (the "Cathedral Hill Campus") in San Francisco. The proposed LRDPs would facilitate the development of certain Near-Term Projects under the CPMC LRDP at CPMC's St. Luke's, Cathedral Hill, and Davies Campuses.

On April 5, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the initiation of the proposed General Plan Amendment Ordinances associated with the CPMC LRDP Project.

On April 10, 2012, the Mayor introduced at the regularly scheduled Board of Supervisors hearing various legislation associated with the CPMC LRDP Project, including the Planning Code Text Amendment Ordinances, Zoning Map Amendment Ordinances, and a Development Agreement Ordinance.

On April 26, 2012, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinances as part of the CPMC LRDP Project.

* Complete memorandum in File No. 120357 *

SAN FRANCISCO
PLANNING DEPARTMENT

Executive Summary

CPMC Long Range Development

HEARING DATE: APRIL 26, 2012

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

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415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date:	April 12, 2012
Case No.:	**Cathedral Hill Campus:** 2009.0885MTZWCBRSK **St. Luke's Campus:** 2009.0886MTZWCBRSK **Davies Campus:** 2004.0603CW **All Campuses:** 2005.0555E; 2012.0403W
Project Address:	**Cathedral Hill Campus:** 1100 & 1101 Van Ness Avenue; 1255 Post Street; 1020, 1028-1030, 1034-1036, 1040-1052, 1054-1060, and 1062 Geary Street; 1375 Sutter Street **St. Luke's Campus:** 3555, 3615 Cesar Chavez Street; 1580 Valencia Street **Davies Campus:** 601 Duboce Avenue **Pacific Campus:** 2315 & 2333 Buchanan Street; 2300 California Street; 2330, 2340-2360, 2351, 2400, & 2405 Clay Street; 2315, 2323, 2324, 2329, & 2395 Sacramento Street; 2018, 2100 & 2200 Webster Street **California Campus:** 3698, 3700, 3838 & 3848-3850 California Street; 3801, 3905, 3773 & 3901 Sacramento Street; 460 Cherry Street
Zoning/Ht. & Blk.	**Cathedral Hill Campus:** RC-4,Van Ness Special Use District/130-V; NC-3/130-E **St. Luke's Campus:** RH-2/105-E, 65-A **Davies Campus:** RH-3/65-D, 130-E **Pacific Campus:** RM-1, RM-2; 40-X, 160-F **California Campus:** RH-2, RM-2; 40-X, 80-E
Proposed Zoning/ Height & Bulk:	**Cathedral Hill Campus:** RC-4, Van Ness Special Use District, Van Ness Avenue Medical Use Subdistrict/265-V (hospital site), 130-V (MOB site); NC-3/130-E (1375 Sutter Street site) **St. Luke's Campus:** RH-2, Cesar Chavez/Valencia Streets Medical Use Special Use District/105-E **Davies Campus:** No Change **Pacific Campus:** No Change **California Campus:** No Change
Assessor's Block/Lot:	**Cathedral Hill Campus:** 0695/005, 006; 0694/005, 006, 007, 008, 009, 009A, 010; 0690/016 **St. Luke's Campus:** 6575/001, 002; 6576/021 and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street **Davies Campus:** 3539/001 **Pacific Campus:** 0612/008; 0613/002, 029; 0628/013, 014; 0629/041, 044; 0636/033; 0637/014, 015, 016, 017, 018, 019 **California Campus:** 1015/001, 016, 052, 053, 054; 1016/001, 002, 003, 004, 005, 006, 007, 008, 009; 1017/027, 028

* Complete memorandum in File No. 120357 *

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Planning Commission Motion No.18592

GENERAL PLAN FINDINGS

PLANNING CODE SECTION 101.1 FINDINGS

HEARING DATE: APRIL 26, 2012

Date:	April 12, 2012
Project Name:	**California Pacific Medical Center Long Range Development Plan**
Case Numbers:	**2005.0555E; 2009.0886MTZCBRKS; 2009.0885MTZCBRKS; 2004.0603C; 2012.0403W**
Initiated by:	Geoffrey Nelson, CPMC 633 Folsom Street, 5th Floor San Francisco, CA 94107 (415) 600-7206 NelsonGK@Sutterhealth.org
Staff Contact:	Elizabeth Watty, Planner Elizabeth.Watty@sfgov.org, 415-558-6620
Reviewed By:	Kelley Amdur, Director Neighborhood Planning Kelley.Amdur@sfgov.org, 415-558-6351
Recommendation:	**Adopt General Plan/Planning Code 101.1 Consistency Findings**

ADOPTING FINDINGS OF CONSISTENCY WITH THE SAN FRANCISCO GENERAL PLAN AND PLANNING CODE SECTION 101.1 FOR THE CALIFORNIA PACIFICA MEDICAL CENTER'S LONG RANGE DEVELOPMENT PLAN TO ALLOW THE IMPLEMENTATION OF THE NEAR-TERM PROJECTS AND THE LEGISLATION ASSOCIATED THEREWITH, ALONG WITH THE DEVELOPMENT AGREEMENT ("PROJECT"), AT THE CATHEDRAL HILL CAMPUS (ASSESSOR'S BLOCKS-LOTS: 0690-016, 0694-005, 0694-006, 0694-007, 0694-008, 0694-009, 0694-009A, 0694-010, 0695-005, 0695-006); St. LUKE'S CAMPUS (ASSESSOR'S BLOCKS-LOTS 6575/001, 002; 6576/021 AND A PORTION OF SAN JOSE AVENUE BETWEEN CESAR CHAVEZ STREET AND 27TH STREET) AND THE DAVIES CAMPUS (ASSESSOR' BLOCK-LOTS 3539-001), AND INCLUDING ENVIRONMENTAL FINDINGS.

PREAMBLE

The CPMC Long Range Development Plan ("LRDP") is a multi-phased development strategy to meet state seismic safety requirements for hospitals mandated originally in 1994 by Senate Bill ("SB") 1953 as modified through successor legislation, and to create a 20-year framework for CPMC's four existing medical campuses and for construction of a proposed new medical campus in San Francisco.

The four existing CPMC medical campuses are the St. Luke's Campus in the Mission District, Pacific Campus in the Pacific Heights area, the California Campus in the Presidio Heights area, and the Davies Campus in the Duboce Triangle area. The proposed new medical campus is the Cathedral Hill

Campus located along Van Ness Avenue in the vicinity of the intersection of Van Ness Avenue and Geary Boulevard/Geary Street.

The LRDP includes both Near-Term Projects, including actions at the St. Luke's, Cathedral Hill and Davies Campuses, and Long-Term Projects at the Davies and Pacific Campuses. Implementation of the Near-Term Projects requires approval of, but is not limited to, General Plan amendments for the St. Luke's and Cathedral Hill Campuses, Zoning Map and Planning Code text amendments at the St. Luke's and Cathedral Hill campuses, the sale and transfer of San Jose Avenue between 27th Street and Cesar Chavez Street from the City to CPMC and its change of use from a city street to a medical center; construction of the Tunnel under Van Ness Avenue; changes to the sidewalk widths at the St. Luke's and Cathedral Hill Campuses; and Major Encroachment Permits at the St. Luke's and Cathedral Hill Campuses, and conditional use authorizations at the Davies, St. Luke's and Cathedral Hill Campuses, along with approval of a Development Agreement (collectively, for purposes of this Motion No. 18592 only, the "Project,"). The Commission finds that the Project is, on balance, consistent with the Objectives and Policies of the General Plan as it is proposed for amendment, and the Priority Policies of Planning Code section 101.1, as discussed below.

On April 26, 2012, by Motion No. 18588, the Planning Commission certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the LRDP Project. A copy of Planning Commission Motion No. 18588 is in the file for Case No. 2005.0555E. Also on April 26, 2012, by Motion No. 18589, the Planning Commission adopted findings, including a statement of overriding considerations, and a mitigation monitoring and reporting plan, pursuant to CEQA. In accordance with the actions contemplated herein, the Planning Commission has reviewed the FEIR and adopts and incorporates by reference as though fully set forth herein the findings, including the statement of overriding considerations, pursuant to CEQA, adopted by the Planning Commission on April 26, 2012, in Motion No, 18589.

MOVED, that the Planning Commission has reviewed and considered CPMC's LRDP, and the record associated therewith, including the comments and submissions made to this Planning Commission, and based thereon, hereby adopts the General Plan and Planning Code Section 101.1 Consistency Findings set forth herein.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.

2. **General Plan Compliance.** The Project, including but not limited to the sale and transfer of a portion of San Jose Avenue between 27th Street and Cesar Chavez Street from the City to CPMC and its change of use from a city street to part of a medical center; construction of a tunnel under Van Ness Avenue; changes to the sidewalk widths at the St. Luke's and Cathedral Hill Campuses; Major Encroachment Permits at the St. Luke's and Cathedral Hill Campuses, Zoning Map and Planning Code text amendments at the St. Luke's and Cathedral Hill Campuses, and other actions and legislation associated with the Near-Term Projects,

along with the Development Agreement, is, on balance, consistent with the following Objectives and Policies of the General Plan, including Objectives and Policies as they are proposed for amendment:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1:
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Policy 1.8
Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

The Project includes institutional uses, and as such is not subject to the City's Jobs-Housing Linkage Fee. In addition, the Planning Code allows a beneficial institutional use such as the Cathedral Hill Hospital and MOB to be approved by Conditional Use without meeting the 3:1 residential to net new non-residential ratio requirement of the Van Ness Special Use District. Nonetheless, the Project Sponsor has committed to the following pursuant to the Development Agreement that would help to implement Objective 1 and Policy 1.1 and 1.8: contributions exceeding $62 million toward affordable housing replacement, funding the production of new affordable rental units, and creating a downpayment assistance program for low and moderate income CPMC employees seeking to purchase a home in San Francisco. The City would also receive an estimated $35 million in repayments from the DALP program (through repayment of DALP loans and the City's estimated $6 million share of property appreciation) to use for affordable housing projects.

The Project will contribute to the production of housing through contributions in the Development Agreement, as described below. The Project does not include traditional "single use" institutional uses and in fact include various uses in support of the principal medical use. In addition, due to factors such as challenges in identifying large sites appropriate to accommodate medical facilities, and the unique design and operational requirements of hospitals (including strict OSHPD construction standards and associated costs), the Project does not include the type of mixed use development opportunity contemplated by this policy. The Project is not inconsistent with this policy and will not adversely impact the City's ability to meet it. In addition, as to the Cathedral Hill site, the Van Ness Area Plan identified the Cathedral Hill sites as in commercial use, and did not consider them as sites available to meet housing production goals for the plan area.

OBJECTIVE 2 RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY

Policy 2.1
Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

OBJECTIVE 3
PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS

Policy 3.1
Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

Policies 2.1 and 3.1 address existing housing, and acknowledge in the text that they are implemented through San Francisco's Planning Code, which includes a conditional use process for demolition of residential units, and the Residential Hotel Ordinance, which requires permits for conversion of residential hotel rooms. Construction of the Cathedral Hill MOB will require demolition of five residential hotel units and twenty residential units. The Project Sponsor will comply with the residential hotel conversion requirements of Administrative Code Section 41.13 by paying a fee of $2,684,800.00. It will also contribute $1,453,820 to address demolition of the residential units. Beyond the replacement fees, under the terms of the Development Agreement, the Project will contribute to substantial new housing through a $29 million Affordable Housing Payment, and the City will receive an additional approximately $35 million to the City for affordable housing through funds from repayment of DALP loans, which includes the City's approximately $6 million share of property appreciation.

OBJECTIVE 7
SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

Policy 7.1
Expand the financial resources available for permanently affordable housing, especially permanent sources.

Policy 7.7
Support housing for middle income households, especially through programs that do not require a direct public subsidy.

Policy 7.8
Develop, promote, and improve ownership models which enable households to achieve homeownership within their means, such as down-payment assistance, and limited equity cooperatives.

As discussed in the findings for Objective 1 and 7 above, through commitments in the Development Agreement, CPMC will contribute over $62 million toward affordable housing to replace displaced units, fund the production of new affordable rental units, and create a downpayment assistance program for low and moderate income CPMC employees seeking to purchase a home in San Francisco. As part of the $62 million commitment, CPMC will provide $2,684,800 in funding to replace the 20 residential hotel units that will be demolished, and $1,453,820 in funding to replace the five dwelling units that will be demolished. CPMC will also provide $29 million to the City's affordable housing fund, and create a $29 million down payment assistance loan program (DALP) for its employees who earn up to 100% of area median income. The City's existing DALP is currently substantially oversubscribed, and these funds will provide an opportunity for additional low and moderate income households to access home ownership opportunities. The Mayor's Office of Housing anticipates, for example, that the program will provide a minimum of 145 loans and will allow 100% AMI households who can only afford 15% of the homes in San Francisco to now afford nearly 40% of homes. Funds from the down payment assistance loans will be recaptured into the affordable housing fund, along with a portion of equity, when CPMC employees sell units bought with the loans. An estimated $35million ($29 million plus an estimated $6 million in appreciation) is expected to flow into the affordable housing fund over time this way, beyond the initial $62 million contribution.

OBJECTIVE 8:
BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.

Policy 8.1
Support the production and management of permanently affordable housing.

Policy 8.2
Encourage employers located within San Francisco to work together to develop and advocate for housing appropriate for employees.

See discussion regarding Objectives 1 and 7 above regarding the Project's contributions to production of affordable housing. The DALP is directly responsive to and implements Policies 8.1 and 8.2.

OBJECTIVE 11:
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.8
Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

CPMC's Cathedral Hill, St. Luke's, and Davies Campuses have been designed to acknowledge and respond to their surrounding neighborhood contexts, as described in greater detail under the Urban Design Element findings outlined below. The Cathedral Hill Campus is located within a mixed use Residential Commercial district, and development of the Near-Term Projects under the LRDP at the St. Luke's and Davies Campuses, although located within residential zoning districts, would involve

redevelopment within the existing boundaries of these CPMC campuses rather than expansion onto additional sites. The Project approvals include many mitigation measures, conditions of approval and other community benefits commitments designed to address, among other things, neighborhood compatibility during both the construction and operational phases. The Development Agreement also includes a Community Visioning Plan process for any future development plans at the Davies, Pacific and California Campuses.

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1:
MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1
Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The Project will provide substantial benefits to the City, including expanded employment opportunities for City residents at all employment levels. CPMC and the rest of the health services sector are critically important to the economic health of San Francisco. CPMC is the second largest private employer in San Francisco. CMPC is estimated to currently employ over 6,200 people, of which about half are San Francisco residents. The Project is necessary to maintain and expand employment in these long-term health services and support services jobs.

The construction of the Near-Term Projects will significantly benefit the San Francisco economy. During this period of economic recovery, the Near-Term Projects will provide up to approximately 400 to 500 construction jobs per year, with a maximum of up to approximately 1,500 jobs at the peak construction period. The construction and operation of the Near-Term Projects would inject about $2.5 billion into the local economy. The Near Term Projects also include Workforce commitments, through the proposed Development Agreement, that provide substantial construction and operational phase jobs and programs for local businesses and residents, including unemployed and economically disadvantaged residents and a workforce training contribution of $2,000,000.

The Project would ensure CPMC's continued existence and viability in San Francisco. The Project will enable CPMC to continue to provide essential health services to the community without interruption, in modern facilities that will comply with the most stringent state seismic mandates in SB 1953. Because the new hospital facilities can be expected to remain operational after a strong earthquake, CPMC's role in emergency preparedness will be enhanced. Emergency preparedness for the City will also be enhanced by the expanded Emergency Department facilities and improved emergency communications centers proposed as part of the Project.

If the new CPMC hospital facilities under the Project were not constructed, there would be a negative impact on CPMC's delivery of essential health care services to the community, as well as on San Francisco's healthcare employment sector.

The St. Luke's Replacement Hospital and MOB will contribute to the revitalization of the St. Luke's Campus and will enhance the medical care provided there and will contribute to the neighborhood character and the local economy. Continuation of inpatient, emergency and outpatient medical services at the St. Luke's Campus was strongly recommended by the Blue Ribbon Panel (BRP). The Board of Supervisors also adopted on November 25, 2008, Resolution No. 478-08 commending the BRP and urging all City Departments to endorse the recommendations of the BRP.

CPMC chose the location at Van Ness Avenue and Geary Boulevard for its new acute care hospital (i.e., the Cathedral Hill Hospital) for several reasons, including that s that a new hospital on an available site would be less disruptive than replacing the existing California and Pacific Campus hospitals by expanding either of those campuses, which are zoned for lower-density residential neighborhoods.

The Cathedral Hill Campus will be a major employment center, capitalizing on the transit infrastructure at the site, including the proposed Van Ness Avenue and Geary Bus Rapid Transit ("BRT") projects, toward which CPMC would provide $5 million in funding pursuant to the proposed Development Agreement.

Under the Project, the Davies Campus, which has already undergone a number of renovations, will continue to specialize in health care for people with HIV/AIDS, include a new neuroscience center, and provide microsurgical services and rehabilitation care following serious illness or injury. In addition, the existing Emergency Department would continue to operate at the Davies Campus.

The Project would contribute to the commercial stabilization and revitalization of the neighborhoods surrounding the new hospitals and medical buildings at the Cathedral Hill, Davies and St. Luke's Campuses by increasing medical activity, and therefore pedestrian activity which supports nearby businesses.

Under the terms of the proposed development agreement, CPMC would provide a host of additional assurances and benefits that will accrue to the public and the City, including, but not limited to, contributions to assist the City with its health care, housing, work-force development, transit and pedestrian safety needs.

The Project approvals include many mitigation measures, conditions of approval and other community benefits commitments designed to address, among other things, neighborhood compatibility.

OBJECTIVE 2:
MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1
Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

CPMC is one of the City's largest private employers, employing approximately 6,200 people, of which about half are San Francisco residents. The Near-Term Projects will enable the retention and expansion of one of the City's largest private employers.

The Project would also permit the City to retain and enhance its domestic and international reputation as an education, training, and research center for medical services that benefit the residents of San Francisco by attracting patients, doctors and researchers to San Francisco.

Construction of the Near-Term Projects will inject about $2.5 billion into the local economy and create 1,500 union construction jobs.

Under the terms of the proposed Development Agreement, CPMC would provide additional assurances and guarantee approximately $1.1 billion in community benefits that will accrue to the public and the City, including, but not limited to, contributions to assist the City with its healthcare, housing, work-force development, transit and pedestrian safety needs.

The Project would contribute to the commercial revitalization of the neighborhoods surrounding the new hospitals and medical buildings by increasing pedestrian activity.

OBJECTIVE 3
PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1
Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Policy 3.2
Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

Policy 3.3
Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

The Near-Term Projects will provide expanded employment opportunities for City residents at all employment levels. CPMC and the rest of the health services sector are critically important to the economic health of San Francisco. CPMC is one of the City's largest private employers, employing approximately 6,200 people, of which about half are San Francisco residents. The Project will enable the retention and expansion of one of the City's largest private employers. The construction of the proposed

Near-Term Projects will also significantly benefit the San Francisco economy. During this period of economic recovery, the Near-Term Projects will provide up to approximately 400 to 500 construction jobs per year, with a maximum of up to approximately 1,500 jobs at the peak construction period.

CPMC supports career development and advancement opportunities for its employees. A wide range of educational and training opportunities are offered to CPMC employees, including college preparatory courses for entry-level workers. San Francisco City College offers courses, such as Medical Terminology, at CPMC campuses. Seminars are offered on basic business skills. Language classes are also taught on site by San Francisco City College instructors. The programs specifically designed for entry-level workers make CPMC a good place for workers newly entering the labor force or the health services sector.

The job skills acquired through employment at CPMC, including skills acquired through the job training opportunities described above, support career advancement within CPMC. These skills would also be transferable to other health care sector employers.

Many job classifications at CPMC are not associated directly with health care. Examples include food service, transportation, security, facilities maintenance, management and administrative support positions. These classifications also range from entry-level to upper level positions. The job skills acquired by these workers would be transferable to other health care and non-health care employers.

CPMC commitments under the proposed Development Agreement will also result in an increase in entry-level local construction employment and internship opportunities. CPMC will make good faith efforts to achieve 30% local hire measured by construction trade hours for the Near-Term Projects under the LRDP overall for each contractor, by each trade. CPMC will achieve 50% local hire for new entry-level administrative and engineering positions and internships, will fill half of all new apprentice positions with graduates from the CityBuild Academy, and will create and administer a structured program to advance apprentices from CityBuild Academy to journey-level status in their trade by the end of the project. CPMC plans to hire at least 40 San Francisco-resident permanent entry-level hires annually for five years, representing just under half of all entry level hires, targeting residents of the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods. CPMC will also provide $2 million for community workforce services, which will provide grants to community-based organizations through the City's Office of Economic and Workforce Development for recruitment, training, and job retention services.

OBJECTIVE 6
MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS

Policy 6.1
Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

Policy 6.7

Promote high quality urban design on commercial streets.

Policy 6.9
Regulate uses so that traffic impacts and parking problems are minimized.

Policy 6.10
Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.

The development of the St. Luke's Replacement Hospital and St. Luke's MOB will ensure and encourage the retention and provision of neighborhood-serving goods and services by increasing the number of CPMC employees and others in the area during its hours of operation, which, for the St. Luke's Replacement Hospital, will be twenty-four hours a day every day. As with other CPMC campuses, St. Luke's Replacement Hospital and St. Luke's MOB staff and visitors can be expected to patronize local retail and service businesses. The Project would retain the retail space in the Monteagle Building, and would add about 2,600 square feet of ground floor retail in the St. Luke's MOB.

The development of the Cathedral Hill Campus will ensure and encourage the retention and provision of neighborhood-serving goods and services by increasing the number of CPMC employees and others in the area during its hours of operation, which, for the Cathedral Hill Hospital, are twenty-four hours a day every day.

The Cathedral Hill Hospital would include approximately 3,100 square feet of ground floor retail space. The Cathedral Hill MOB would include approximately 7,050 square feet of ground floor retail space, including a pharmacy. This additional retail space in the neighborhood would ensure and encourage the retention and provision of neighborhood-serving goods and services. It would also maintain and strengthen viable neighborhood commercial areas easily accessible to City residents. The Cathedral Hill Campus is easily accessible to City residents and will be even more so with the addition of the Geary and Van Ness BRT lines.

The proposed development of the Neurosciences Institute at the Davies Campus will ensure and encourage the retention and provision of neighborhood-serving goods and services by increasing the number of CPMC employees and others in the campus vicinity.

The Project will promote high quality urban design for the reasons set forth in the discussion below regarding consistency with the General Plan's Urban Design Element.

The Project will minimize the effects of traffic and parking on the surrounding neighborhood for the reasons set forth in the discussion below regarding consistency with the General Plan's Transportation Element.

OBJECTIVE 7
ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL AND REGIONAL CENTER FOR GOVERNMENTAL, HEALTH, AND EDUCATIONAL SERVICES

Policy 7.2
Encourage the extension of needed health and educational services, but manage expansion to avoid or minimize disruption of adjacent residential areas.

Policy 7.3
Promote the provision of adequate health and educational services to all geographical districts and cultural groups in the city.

The Project will enhance San Francisco's position as a national and regional center for health services; CPMC continues to be one of the top hospitals in the country thereby attracting medical professionals and patients to its facilities nationally.

CPMC chose the location at Van Ness Avenue and Geary Boulevard for its new acute care hospital for several reasons, one of which was that a new hospital on an available site would be less disruptive than replacing the existing California and Pacific Campus hospitals by expanding either of those campuses, which are predominantly zoned for relatively low-density residential neighborhoods. CPMC's search for an appropriate and available site for a new medical center campus and the related planning process included consideration of several vacated school sites and otherwise underutilized sites (e.g., the U.S. Public Health Service Hospital site in the southwestern quadrant of the Presidio, the Mervyns' Shopping Center site at Geary Boulevard and Masonic Avenue, an aggregation of sites on the east side of Masonic Avenue which included parcels owned by the Catholic Church and the San Francisco Unified School District, an aggregation of sites on the south side of Geary Avenue that included the Gateway High School site, and the Letterman and Fort Scott District sites in the Presidio). Each of these sites was deemed either unavailable or inappropriate for a new CPMC medical center campus. Ultimately, the search and planning process resulted in the purchase of the proposed Cathedral Hill Campus site.

Furthermore, the planned sites for the new Cathedral Hill Hospital and Cathedral Hill MOB would be located closer than either the Pacific or California Campus to a medically underserved area of the City that includes the Tenderloin/Little Saigon neighborhood, which has the highest population density of low-income households, seniors (the most frequent users of hospital care), children and youth. Under the proposed Project, CPMC would continue to provide medical services in various neighborhoods across the City, including the southeast portion of the City served by the St. Luke's Campus, and the proposed Cathedral Hill Campus would bring medical services to underserved neighborhoods.

The current design of the Cathedral Hill Hospital has been modified since the original proposal in order to minimize the disruption of the new building on the adjacent residential tower. The Cathedral Hill Hospital's bed tower has been shifted to the south side of the property, away from the Daniel Burnham Court building, in order to, among other reasons, minimize its presence and shadow on the residents of that building.

With respect to the Near-Term Projects at Cathedral Hill, St. Luke's and Davies, any effects on adjacent residential areas will be addressed both during construction and after the new buildings at these campuses are operational by various conditions of approval and mitigation measures proposed for the Near-Term Projects. For example, construction will be managed by City regulations as well as by

CPMC's construction management plans, which will be developed with input from the City and neighboring properties, and will be required and enforced by the City as part of the conditions of approval. Safeguards will be in place to minimize emissions such as noise, glare, dust and odor, both during construction and operations.

The effects of the Near-Term Projects' operations on nearby residents from traffic will be minimized by many design factors, including the placement of vehicular access and egress, loading docks, emergency vehicle access and egress; and streetscape features for pedestrians, including widening of certain sidewalks and improved transit access. Through the commitments in the Development Agreement, CPMC will also provide $400,000 in funding to MTA for studies regarding improvements to bicycle facilities around and between the proposed new CPMC facilities.

CPMC has also committed to the following benefits that help minimize disruption on adjacent residential areas surrounding the proposed Cathedral Hill Campus:

- *Construction of the Van Ness Avenue pedestrian tunnel that will improve pedestrian safety, particularly for patients who have mobility constraints.*
- *Funding to develop capacity of one or more Tenderloin clinics to participate in Medi-Cal managed care;*
- *$5 million in funding for the proposed Van Ness and Geary BRT projects;*
- *$10.5 million Transit Fee to MTA to help alleviate transit delay and meet new demands on the transit system associated with the new Cathedral Hill Campus;*
- *A surcharge on parking at the new Cathedral Hill Campus of $0.50 off-peak and $0.75 peak for each entry and exit to provide an estimated $500,000 per year of additional funding to MTA for a period of 10 years;*
- *$8 million in funding for pedestrian safety and public realm improvements in the Tenderloin, including pedestrian-scale lighting, sidewalk widening and changing one-way streets to two-way;*
- *$150,000 to help form a Lower Polk Community Benefit District ("CBD") as well as a $1 million seed grant to the CBD;*
- *$200,000 grant for the Safe Passage Pilot program in the Tenderloin.*

CPMC has also committed to the following benefits that help minimize disruption on adjacent residential areas surrounding the proposed Davies Campus:

- *Construction of a series of pedestrian safety improvements around the Davies Campus, valued at approximately $475,000.*

CPMC has also committed to the following benefits that help minimize disruption on adjacent residential areas surrounding the proposed St. Luke's Campus:

- *Construction of a series of pedestrian safety improvements around the St. Luke's Campus, valued at approximately $3,300,000.*

CPMC has been engaged with community representatives and the City since the beginning of the planning process for the Project, working to achieve a balance that would provide community and regional access to care while responding to the needs of the surrounding neighborhoods.

CPMC has worked to address citywide health care needs through the development of its 2008 Institutional Master Plan ("IMP") and through the proposed LRDP, which implements the 10-year planning provisions of the IMP.

In its Resolution 10-09 concerning the IMP, adopted after several public hearings on the IMP, the San Francisco Health Commission, in Resolution 10-09, accepted the IMP, with recommendations to ensure that the IMP "results in the best possible health plan for the City and County of San Francisco." A year later, the Health Commission's Task Force on CPMC's IMP published its Updates and Accomplishments concerning the recommendations in Resolution 10-09; the Health Commission adopted Resolution 02-10, memorializing these accomplishments. As set out in these documents, the LRDP helps to implement the Health Commission recommendations.

The St. Luke's Replacement Hospital and St. Luke's MOB will enhance San Francisco's position as a national and regional center for health services, and will extend needed health services.

Although certain medical services at the California and Pacific Campuses would be replaced and consolidated at the proposed Cathedral Hill Campus, all of the existing CPMC campuses, with the exception of the California Campus, would continue to provide medical care. CPMC would continue to serve communities surrounding the Mission District (St. Luke's Campus), Duboce Triangle (Davies Campus), and Pacific Heights (Pacific Campus) neighborhoods. The hospitals at the St. Luke's and Davies Campuses would generally serve as community hospitals with certain specialized services (e.g., senior care, outpatient pediatrics, and low risk obstetrics services at the St. Luke's Campus; neuroscience, AIDS/HIV, and acute rehabilitation services at the Davies Campus). These community hospitals would provide primary and secondary care (and similarly the Pacific Campus would provide a wide variety of outpatient services), serving as a point of access, with patients needing more specialized care (e.g., tertiary or quaternary services) referred to the centralized "hub" at the Cathedral Hill Campus (or to the appropriate specialized facilities at the St. Luke's, Davies, or Pacific Campuses).

Thus, although the proposed Project would involve the development of a large, centralized hospital at the proposed Cathedral Hill Campus, serving as a "hub" for the CPMC San Francisco network, it would not result in the type of consolidation and centralization that is one of the concerns underlying Policy 7.3. Under the proposed Project, CPMC would continue to provide medical services in various neighborhoods across the City, including the southeast portion of the City served by the St. Luke's Campus, and the proposed Cathedral Hill Campus would bring medical services to underserved neighborhoods. Therefore, the proposed Project would provide adequate health care services to meet patient demand within the service areas of all campuses within the CPMC system.

Through the commitments in the Development Agreement CPMC will further promote the provision of adequate health services to all geographical districts and cultural groups in the City. Specifically, CPMC has committed to the following, which are geared toward providing health services to the most medically underserved of San Franciscans:

- *Two new, seismically safe hospitals at the St. Luke's and Cathedral Hill Campuses;*
- *A secure future for St. Luke's hospital;*
- *Significantly increased provision of healthcare for low-income and underserved San Franciscans, including hospital care for 10,000 additional Medi-Cal beneficiaries, which represents one-third of the City's new Medi-Cal beneficiaries expected under federal health care reform; and*
- *$20 million endowment by CPMC of a new Community Care Innovation Fund, to support the services of community clinics and other social service organizations.*

The Cathedral Hill Campus will both meet the needs of the City's residents and serve as a regional referral center for tertiary care. The Cathedral Hill Hospital will comply with the seismic safety requirements of SB 1953 and can be expected to remain operational after a strong earthquake. The proximity to quality health care in seismically sound facilities is a benefit for all. The presence of CPMC assures that San Francisco will continue to be recognized as a national and regional center for health services.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1
MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.2
Ensure the safety and comfort of pedestrians throughout the city.

Policy 1.3
Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.

Policy 1. 6
Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

The designs of the Cathedral Hill Hospital and of the Cathedral Hill MOB include many elements that will enhance the safety and comfort of pedestrians. The streetscape plan for the Cathedral Hill Campus was a collaborative effort, with input from the community and from the Planning Department, the San Francisco Municipal Transportation Agency, the San Francisco County Transportation Authority, the Mayor's Office on Disability, the Department of Public Works and Caltrans. The underlying goal of the streetscape plan was to meet or exceed the requirements outlined in the City's adopted Better Streets Plan.

CPMC's streetscape plan for the Cathedral Hill Campus includes the following features:

- *Improving the street frontages in the campus area, with substantial landscaped areas, to offer visual relief to pedestrians, and provide a buffer between pedestrians and traffic lanes.*
- *Improving certain street frontages in the campus area with wider sidewalks that provide more space for pedestrians and more queuing space for transit users.*
- *Creating corner bulb outs to reduce crossing distances and increase queuing space.*
- *Removing approximately seven curb cuts along Van Ness Avenue and at other locations; this removal benefits pedestrians by eliminating the conflict between vehicles and pedestrians.*
- *Providing entry plazas with distinctive landscape and hardscape features at the entrances to both the Cathedral Hill Hospital and Cathedral Hill MOB.*
- *Integrating the proposed Geary Boulevard Muni stop with the Cathedral Hill Hospital entry plaza. The proposed Van Ness BRT stops are planned for the Van Ness Avenue median south of Geary. The proposed Cathedral Hill Campus is consistent with the proposed BRT projects as improvements to the transit service at this major transit hub.*
- *Providing benches along Van Ness Avenue and Geary Boulevard and Post Streets to accommodate transit riders and pedestrians.*
- *Providing benches opposite the lobby of the Cathedral Hill Hospital on Geary Boulevard.*
- *Providing a stop for the CPMC shuttle near the corner of Post Street and Van Ness Avenue, which will include landscaping/trees.*
- *Enhancing Cedar Street to make it a multi-use space with streetscape improvements and distinctive pavement.*
- *Providing outdoor lighting that is a key factor in pedestrian safety and comfort. The historic lighting fixtures along Van Ness Avenue will be retained. Along Geary Boulevard, Post and Franklin Streets, the existing city standard streetlights would be reinstalled. Along Cedar Street, new pedestrian-level streetlights are proposed. Additional pedestrian-level lighting would be provided at both the Cathedral Hill Hospital and Cathedral Hill MOB. Given that the Cathedral Hill Hospital will be open 24 hours per day, its "eyes on the street" will provide increased pedestrian safety and comfort.*
- *Creating a kiosk market in the bays along the Van Ness Avenue façade of the Cathedral Hill Hospital. These niches could provide space for commercial uses such as a café, news stand or flower shop.*
- *Designing the Emergency Department drop-off area to be more like a pedestrian plaza than a vehicular drive-through area.*

At St. Luke's, the campus boundaries will be landscaped to present a more open, welcoming presence to the neighborhood and to encourage pedestrian traffic through the campus. The landscaping and street improvements proposed at the St. Luke's Campus are coordinated and consistent with, and complement, the Cesar Chavez Street Design Plan, and meet or exceed the standards outlined in the City's adopted Better Streets Plan.

CPMC's streetscape plan for the St. Luke's Campus includes the following features:

- *Improving the street frontages in the campus area, with substantial landscaped areas, to offer visual relief to pedestrians, and provide a buffer between pedestrians and traffic lanes.*

- *Providing a public entry plaza to both the St. Luke's Replacement Hospital and St. Luke's MOB, courtyard, and public pedestrian pathway along a similar path of travel as the vacated San Jose Avenue right-of-way between Cesar Chavez and 27th Streets.*
- *Providing a stop for the CPMC shuttle on San Jose Avenue which will include landscaping/trees.*
- *Providing outdoor lighting that is a key factor in pedestrian safety and comfort. Additional pedestrian-level lighting would be provided at both the St. Luke's Replacement Hospital and St. Luke's MOB. The building lobbies and other entries would be well lit, and light would spill from those spaces onto the sidewalks. Given that the St. Luke's Replacement Hospital will be open 24-hours per day, its "eyes on the street" will provide increased pedestrian safety and comfort.*

The location of the new Cathedral Hill Campus at a major transit hub ensures choices among modes of travel. CPMC will provide employees, patients and visitors at all its campuses with multiple options for traveling to and from the campuses. This commitment is reflected in CPMC's Transportation Demand Management ("TDM") Program. CPMC offers its employees choice among modes of travel, including the following:

- *Transit. The choice of the major transit hub at Van Ness Avenue and Geary Boulevard/Street as the site for the Cathedral Hill Campus assures that the land use will support General Plan Transportation Element Policies 1.3 and 1.6. The locations of entrances to the Cathedral Hill Hospital and Cathedral Hill MOB were planned taking into consideration access from existing and planned transit stops. The Cathedral Hill Campus design includes many features intended to accommodate transit usage, such as transit shelters and the CPMC shuttle stop. The locations of entrances to the St. Luke's Replacement Hospital and St. Luke's MOB were planned taking into consideration access from existing and planned transit stops. The St. Luke's Campus design includes features intended to accommodate transit usage, such as the CPMC shuttle stop proposed on San Jose Avenue. CPMC shuttle stops will continue to be provided at the other CPMC campuses.*
- *Bicycles. CPMC will provide bicycle parking and shower facilities for employees and staff at both the Cathedral Hill Hospital and Cathedral Hill MOB. Bicycle racks are also planned at the entrances of both buildings. The St. Luke's Campus will provide bicycle parking and shower facilities for employees and staff. Bicycle parking will be provided at the St. Luke's MOB and accessed from Valencia Street.*
- *Pedestrians. The many pedestrian improvements planned as part of the Near-Term Projects at the Cathedral Hill and St. Luke's Campuses, including the streetscape plans, are described above.*
- *Parking. CPMC will provide parking at the Cathedral Hill Hospital, Cathedral Hill MOB, and St. Luke's MOB, but the amount of parking provided will be consistent with the policy of the City and with CPMC's TDM program that those who can should use other modes of transportation. The parking pricing and time limitations will also be consistent with Transportation Element Policies 1.3 and 1.6.*
- *Parking for carpools, vanpools, car-share vehicles. CPMC will continue to provide incentives for these types of shared vehicular trips.*

- *Taxis The Cathedral Hill Hospital will provide convenient, sheltered spaces for taxi pick-up and drop-off.*

CPMC must provide access to its facilities for employees, patients and visitors, affiliated doctors (who are generally not employees), and others, and provide for materials deliveries. Through the TDM program, CPMC is committed to encouraging sustainable transportation. The proper approach to providing sustainable modes of transportation must take into account the needs of the individuals who must travel to and from the facilities. The needs of employees in this urban environment, who generally have regular schedules, are often best served by public transit.

Public transit also often does not meet the needs of patients because of their physical conditions; many patients are ill, or require wheelchairs, other ambulatory devices or mobility assistance. Patients with contagious diseases are another segment of that population who should not use public transit.

At St. Luke's Campus, on-site parking is prioritized for use by patients, doctors and, to the extent feasible, visitors, staff who work in the evenings and at night when space is available, and the general public. Doctors need to travel quickly back and forth between their hospital patients and their other patients, who are not always at the same site. The private automobile is often the most efficient mode for these trips. The proximity of the St. Luke's MOB to the St. Luke's Replacement Hospital will minimize these automobile trips, and could improve circulation and reduce automobile traffic in the area. CPMC's extensive TDM program encourages and provides incentives for employees who utilize public transportation, and encourages a wide range of transportation options.

At the Davies Campus, improvements associated with the Neuroscience Institute project will result in the creation of a new "MUNI lobby" at the north end of the building directly connecting, for the first time, the lowest physical level of the campus with the popular N-Judah MUNI train line across Duboce Avenue, thereby promoting safe, convenient use of available transit. In addition, the project will:

- *Widen the passable width of the sidewalk on Noe Street by expanding the sidewalk westward onto CPMC property as well as eastward at block-end bulbouts.*
- *Install pedestrian seating along Noe Street.*
- *Completely renovate and improve the sidewalk surface and landscape for the length of Noe Street, making the pedestrian experience safer and more attractive.*

CPMC's current TDM program at its existing campuses has been shown to be effective in promoting the use of public transit by its employees. For example, at the Davies Campus over 40% of the staff members use public transit to travel to the campus. Since the Cathedral Hill Campus site is on major transit lines and is on the edge of the downtown core, it is anticipated that approximately 50% of staff members will use transit, consistent with general ridership percentages for other businesses on the Van Ness corridor.

CPMC's proposed system-wide TDM program will encourage and provide incentives for employees who utilize public transportation, and encourage a wide range of transportation options. Key components of CPMC's TDM program are:

- *CPMC Shuttle Service: CPMC will extend its existing free intercampus shuttle service for doctors and staff to the proposed Cathedral Hill Campus. Shuttle bus services will be substantially increased to link the Cathedral Hill Campus with off-site parking and BART and Muni metro stations. The existing shuttle routes provide service among the campuses, between campuses and CPMC off-site parking facilities, between the Pacific Campus (which is currently the hub for the shuttle system) and CPMC off-campus facilities including 633 Folsom, and between the Civic Center BART station and the Pacific Campus. The St. Luke's Campus is served with direct shuttle service to and from the Davies Campus and to and from the 24th Street Bart Station.*

- *Rideshare Promotions: Carpools and Vanpools: CPMC will extend its policy of free parking for registered carpool and vanpools with three or more CPMC employees or tenants, along with a $2,500 per year subsidy for vanpool vehicles. CPMC participates in the 511 Regional Rideshare program which provides rideshare matches for employees.*

- *Pre-Tax Transit Program: CPMC will provide for the maximum limit allowed for federal income tax purposes of $230 per month in pre-tax spending for transit passes. CPMC will not offer the $230 per month pre-tax parking benefit also allowed for tax purposes, because of this benefit's inevitable effect of increasing single occupancy vehicle use.*

- *Transit Subsidy: All CPMC employees will be offered a transit subsidy, at a value to be benchmarked against the adult Muni monthly FastPass price, for use toward purchase of passes for transit, including Muni and TransLink.*

- *Flexible Work Schedules: CPMC will extend its policy of allowing some employees to work flexible schedules in order to relieve traffic congestion. Many CPMC employees work off-peak shifts, which also relieves peak hour traffic congestion.*

- *Car Sharing: CMPC will provide designated car-share parking spaces at the Cathedral Hill Campus in compliance with code requirements. The St. Luke's Campus provides two spaces at the Duncan Street Parking Garage for a car-share program. These spaces will remain during and after construction of the St. Luke's Replacement Hospital and St. Luke's MOB. There are currently several additional car sharing options in the vicinity of the St. Luke's Campus. Car-share spaces will also be provided at the St. Luke's MOB in compliance with code requirements.*

- *Emergency Ride Home Program: CPMC participates in the City's Emergency Ride Home Program. CPMC employees who participate in the program and use public transportation are eligible for reimbursements from the City.*

- *Guaranteed Ride Home: For safety concerns, CPMC security provides rides home to employees who live within four blocks of each campus during after-hours.*

- *Off-Site Parking: CPMC will provide off-site remote parking at a discount at the Geary Street Mall at 16th Avenue, and at the Japantown Garage at Geary and Laguna. These facilities will*

be served by CPMC shuttles. These off-site facilities provide parking to employees some of whom would otherwise park near the campuses, thus reducing traffic congestion in the residential campus areas.

- *Education and Promotion: CPMC sponsors an annual Transportation Fair that features a free bicycle workshop by the San Francisco Bicycle Coalition and educational materials on commute alternatives and transit. CPMC provides a Parking Services Newsletter informing employees of the most current parking charges and off-street parking facilities. CPMC has a dedicated web page with transit and parking information and related links. Promotional materials will be significantly enhanced and will include web-based marketing and information, ride-share coordination and real-time transit scheduling information.*

- *Coordinator: A dedicated transportation coordinator will manage the TDM program.*

- *Parking fees: Parking fees will be increased to be consistent with or higher than the prevailing fees in the area. Increased parking fees will provide a further disincentive for long term parking and will encourage drivers to use alternative modes of transportation.*

In addition to CPMC's proposed enhancements to its existing TDM program, CPMC would make commitments through the proposed Development Agreement to provide funding for improvements to MTA transit facilities and services. These commitments include: providing $5 million in funding for the proposed Van Ness and Geary BRT projects; payment of a $10.5 million Transit Fee to MTA to help meet new demands on the transit system associated with the new Cathedral Hill Campus; a parking surcharge of $0.50 off-peak and $0.75 peak that will be imposed on every entry and exit from the Cathedral Hill parking garage, estimated to provide an additional $500,000 per year to MTA, for a period of 10 years; and $400,000 in funding to MTA for studies regarding improvements to bicycle facilities around and between the proposed new CPMC facilities.

OBJECTIVE 2:
USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1
Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2
Reduce pollution, noise and energy consumption.

Policy 2.5
Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

CPMC has sited its new Cathedral Hill Campus at the transit nexus of Van Ness Avenue and Geary Street/Boulevard, which are two of the most transit-rich thoroughfares in the City. One of the reasons this site was chosen was its central location and access to public transit. CPMC has worked closely with the MTA to coordinate appropriate funding levels for improvements to MTA transit facilities and services, which would be CPMC commitments under the proposed Development Agreement, including: $5 million in funding for the proposed Van Ness and Geary BRT projects; a $10.5 million Transit Fee to MTA to help meet new demands on the transit system associated with the new Cathedral Hill Medical Center; a parking surcharge of $0.50 off-peak and $0.75 peak that will be imposed on every entry and exit from the Cathedral Hill parking garage, estimated to provide an additional $500,000 per year to MTA, for a period of 10 years; and $400,000 in funding to MTA for studies regarding improvements to bicycle facilities around and between the proposed new CPMC facilities.

The designs of the Cathedral Hill Campus, St. Luke's Campus, and Davies Campus facilities, including streetscape elements, are intended to promote and enhance transit use, which will reduce pollution, noise and energy consumption. CPMC's TDM program implements its policy of providing appropriate transportation alternatives for all users of the CPMC system. As described in detail in the above discussion regarding Transportation Element Objective 1, the TDM program includes incentives for the use of transit, carpools and vanpools. Both public and staff bicycle parking are provided to encourage bicycle use.

OBJECTIVE 7
DEVELOP A PARKING STRATEGY THAT ENCOURAGES SHORT-TERM PARKING AT THE PERIPHERY OF DOWNTOWN AND LONG-TERM INTERCEPT PARKING AT THE PERIPHERY OF THE URBANIZED BAY AREA TO MEET THE NEEDS OF LONG-DISTANCE COMMUTERS TRAVELING BY AUTOMOBILE TO SAN FRANCISCO OR NEARBY DESTINATIONS.

Policy 7.1
Reserve a majority of the off-street parking spaces at the periphery of downtown for short term parking.

Although the CPMC campuses are not located downtown, CPMC's parking strategy discourages long-term parking by employees in its on-campus parking garages and parking lots. CPMC provides off-site parking for employees at several decentralized parking garages near its campuses, and provides a shuttle system that serves these locations and others. Other elements of CPMC's TDM program, such as newsletters and informational transportation events, also discourage on-site parking and the use of private vehicles by promoting attractive alternatives, such as rideshare programs, and incentives for use of transit, carpools, and vanpools, as described in more detail above in the discussion of Transportation Element Objective 1.

OBJECTIVE 11:
ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

Policy 11.3
Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The Cathedral Hill Campus is well served by major north-south and east-west transit lines, including the proposed Van Ness and Geary BRT lines. As described more specifically above in the discussions regarding Transportation Element Objectives 1 and 2, the Development Agreement includes CPMC commitments for approximately $20 million in funding for Muni transit facilities and service, part of which is expected to be utilized within the Van Ness and Geary corridors for proposed BRT planning and/or infrastructure.

Although the Cathedral Hill Campus would contain a large supply of off-street parking, primary parking ingress and egress for the Cathedral Hill Hospital and Cathedral Hill MOB are provided on Post and Cedar Streets, respectively. There would be secondary parking ingress driveways for both buildings (with no egress at the Cathedral Hill MOB, and egress at the Cathedral Hill Hospital permitted during an emergency situation only) located on Geary Street/Boulevard. These driveway locations would minimize disruption to transit service on Geary Street.

However, if the ingress driveways on Geary Street/Boulevard were to create substantial conflicts with transit or other transportation modes in the future, the Geary curb cut permits would be revoked and the driveways would be closed, as specified through the Conditions of Approval outlined in Motion No. 18598. The Cathedral Hill Hospital ingress driveway would remain but would be closed except during an emergency situation. Non-emergency ingress or egress would be provided from Post and Cedar streets only.

The St. Luke's Campus is directly accessible by nine Muni Bus lines, including: 14-Mission; 26-Valencia; 27-Bryant; 49-Van Ness-Mission; the 67-Bernal Heights; and the J-Church Muni Metro light rail line, which is six blocks west of the Campus. In addition, the 24th Street BART Station is at the corner of Mission Street and 24th Street, approximately five blocks north of the St. Luke's Campus.

The proposed Neurosciences Institute building at the Davies Campus will be directly accessible to the N-Judah Muni light rail line, No. 24 bus along Castro Street, and the No. 37 bus along 14th Street, and is within two blocks of additional bus routes. Muni Metro lines including the K, L, M, and the Castro Shuttle are available under Market Street and Church Street Station (the F Market streetcar line is also available on Market Street). All of these transit lines have been shown to have capacity sufficient to accommodate expected ridership from the proposed Neurosciences Institute building during peak periods.

At all campuses, staff, visitors and patients are encouraged to utilize transit, in accordance with CPMC's TDM program, as described in more detail above in the discussion regarding Transportation Element Objective 1.

OBJECTIVE 12:
DEVELOP AND IMPLEMENT PROGRAMS IN THE PUBLIC AND PRIVATE SECTORS, WHICH WILL SUPPORT CONGESTION MANAGEMENT AND AIR QUALITY

OBJECTIVES, MAINTAIN MOBILITY AND ENHANCE BUSINESS VITALITY AT MINIMUM COST.

Policy 12.1
Develop and implement strategies which provide incentives for individuals to use public transit, ridesharing, bicycling and walking to the best advantage, thereby reducing the number of single occupant auto trips.

As described in more detail above in the discussion regarding Transportation Element Objective 1, CPMC's TDM Program, along with the commitments in the proposed Development Agreement, support congestion management and air quality objectives, maintain mobility and enhance business vitality.

OBJECTIVE 14
DEVELOP AND IMPLEMENT A PLAN FOR OPERATIONAL CHANGES AND LAND USE POLICIES THAT WILL MAINTAIN MOBILITY AND SAFETY DESPITE A RISE IN TRAVEL DEMAND THAT COULD OTHERWISE RESULT IN SYSTEM CAPACITY DEFICIENCIES.

Policy 14.6
Reduce peak period congestion through the promotion of flexible work schedules at worksites throughout the City.

Policy 14.7
Encourage the use of transit and other alternatives modes of travel to the private automobile through the positioning of building entrances and the convenient location of support facilities that prioritizes access from these modes.

Planning transportation access to a medical center campus is different from planning access to other types of land uses, because a hospital does not have as sharp a peak transportation demand on a daily basis during the work week, as would a typical office building. Hospitals operate 24 hours a day, seven days a week, and a significant number of hospital employees work on shifts. There are generally three eight-hour shifts per day. Therefore, traffic demand for a hospital use is more dispersed than for an office use. While medical office employees would follow typical a.m. and p.m. peaking patterns, patients at medical office buildings such as the Cathedral Hill MOB, St. Luke's MOB, and Davies Neurosciences Institute building would result in more dispersed travel demand throughout the day, because patient visits are scheduled at various times during the day.

CPMC will encourage the use of transit and other alternative modes of travel to and from all CPMC campuses through proposed enhancements to its existing TDM program, as described in more detail above in the discussion of Transportation Element Objective 1. Under the enhanced TDM program, CPMC, among other things, would extend its policy of allowing some employees to work flexible schedules in order to relieve traffic congestion. Many CPMC employees work off-peak shifts, which also relieves peak hour traffic congestion.

In addition, CPMC will encourage the use of transit and other alternative modes of travel to and from the Cathedral Hill Campus through:

- *The location of the Cathedral Hill Hospital and Cathedral Hill MOB at an intersection which is a major transit hub.*
- *The placement of the pedestrian entrances to the Cathedral Hill Hospital and Cathedral Hill MOB taking into consideration access from existing and planned transit stops.*
- *The proximity of the Cathedral Hill MOB to the Cathedral Hill Hospital, which will minimize trips by physicians with offices at the Cathedral Hill MOB traveling to the Cathedral Hill Hospital.*
- *The provision of a vehicular passage through the Cathedral Hill Hospital between Geary Boulevard and Post Street to provide space for vehicular queuing within the property.*
- *Special maneuvering areas within the Cathedral Hill Hospital and Cathedral Hill MOB garages to provide queuing space within the facilities.*
- *The placement of entrances to the Cathedral Hill Hospital for other vehicles, including delivery vehicles and ambulances, in order to provide on-site maneuvering areas and to allow entering and exiting without on-street backing movement, thereby minimizing impacts on traffic circulation.*
- *The design for the Cathedral Hill Campus, which includes transportation features such as transit shelters, the shuttle stop and the Van Ness Avenue pedestrian tunnel connecting the Cathedral Hill Hospital and the Cathedral Hill MOB.*
- *The provision of bicycle parking spaces at the Cathedral Hill Campus.*

CPMC will encourage the use of transit and other alternative modes of travel to and from the St. Luke's Campus through:

- *The placement of the pedestrian entrances to the St. Luke's Replacement Hospital and St. Luke's MOB taking into consideration access from existing and planned transit stops.*
- *The proximity of the St. Luke's MOB to the St. Luke's Replacement Hospital, which will minimize trips by physicians traveling to the St. Luke's Replacement Hospital.*
- *The proposed shuttle stop at St. Luke's is located at the intersection of San Jose Avenue and 27th Street, providing direct access to the St. Luke's Campus.*
- *CPMC's shuttle service provides direct access to the 24th Street BART station.*
- *The provision of bicycle parking at the St. Luke's Campus.*
- *The provision of car-sharing spaces at the St. Luke's MOB in compliance with code requirements.*

CPMC will encourage the use of transit and other alternative modes of travel to and from the Davies Campus through:

- *The placement of the pedestrian entrances to the Neuroscience Institute taking into consideration access from existing transit stops.*
- *The proximity of the Neuroscience Institute to the Davies Campus hospital, which will minimize trips by physicians traveling to the hospital.*
- *The provision of bicycle parking spaces at the Davies Campus.*

OBJECTIVE 15:
ENCOURAGE ALTERNATIVES TO THE AUTOMOBILE AND REDUCED TRAFFIC LEVELS ON RESIDENTIAL STREETS THAT SUFFER FROM EXCESSIVE TRAFFIC THROUGH THE MANAGEMENT OF TRANSPORTATION SYSTEMS AND FACILITIES.

Policy 15.1
Discourage excessive automobile traffic on residential streets by incorporating traffic-calming treatments.

The Project includes automobile traffic-calming treatments at the St. Luke's, Davies, and Cathedral Hill Campuses, such as widened sidewalks and landscape strips. It also includes corner bulbs at the St. Luke's and Cathedral Hill Campuses.

Under the proposed Development Agreement, CPMC would be committed to funding several streetscape, lighting, and pedestrian safety improvements, including:

- *Providing $8 million for pedestrian safety and public realm improvements in the Tenderloin, including pedestrian-scale lighting, sidewalk widening, and changing specified streets from one-way to two-way.*
- *Providing $150,000 to help form a Lower Polk CBD, as well as a $1 million seed grant to the CBD.*
- *Providing a $200,000 grant for the Safe Passage Pilot program in the Tenderloin.*
- *Constructing a series of pedestrian safety and public realm improvements around the Davies Campus, valued at approximately $475,000.*
- *Constructing a series of pedestrian safety and public realm improvements around the St. Luke's Campus, valued at approximately $3,300,000.*

OBJECTIVE 16:
DEVELOP AND IMPLEMENT PROGRAMS THAT WILL EFFICIENTLY MANAGE THE SUPPLY OF PARKING AT EMPLOYMENT CENTERS THROUGHOUT THE CITY SO AS TO DISCOURAGE SINGLE-OCCUPANT RIDERSHIP AND ENCOURAGE RIDESHARING, TRANSIT AND OTHER ALTERNATIVES TO THE SINGLE-OCCUPANT AUTOMOBILE.

Policy 16.1
Reduce parking demand through the provision of comprehensive information that encourages the use of alternative modes of transportation.

Policy 16.3
Reduce parking demand through the provision of incentives for the use of carpools and vanpools at new and existing parking facilities throughout the City.

Policy 16.4
Manage parking demand through appropriate pricing policies including the use of premium rates near employment centers well-served by transit, walking and bicycling, and progressive rate structures to encourage turnover and the efficient use of parking.

Policy 16.5
Reduce parking demand through limiting the absolute amount of spaces and prioritizing the spaces for short-term and ride-share uses.

Policy 16.6
Encourage alternatives to the private automobile by locating public transit access and ride-share vehicle and bicycle parking at more close-in and convenient locations on-site, and by locating parking facilities for single-occupant vehicles more remotely.

Planning transportation access to a medical center campus is different from planning access to other types of land uses, because a hospital does not have as sharp a peak transportation demand on a daily basis during the work week, as would a typical office building. Hospitals operate 24 hours a day, seven days a week, and a significant number of hospital employees work on shifts. There are generally three eight-hour shifts per day. Therefore, traffic demand for a hospital use is more dispersed than for an office use. While medical office employees would follow typical a.m. and p.m. peaking patterns, patients at medical office buildings such as the Cathedral Hill MOB, St. Luke's MOB, and Davies Neurosciences Institute building would result in more dispersed travel demand throughout the day, because patient visits are scheduled at various times during the day.

CPMC's TDM program, which is described in more detail in the discussion above regarding Transportation Element Objective 1, includes the dissemination of information at Transportation Fairs, through its Parking Services Newsletter and through its dedicated web page.

CPMC provides the following incentives for carpools and vanpools:

- *CPMC participates in the 511 Regional Rideshare program which provides rideshare matches for employees.*
- *CPMC provides price incentives for carpool and vanpool parking.*
- *Carpools and vanpools use priority parking spaces near the elevators.*

CPMC's parking policy in the TDM program for the Cathedral Hill, St. Luke's, and Davies Campuses will include pricing policies to discourage long-term parking and encourage turnover and efficient use of parking.

Parking demand at the Cathedral Hill, Davies, and St. Luke's Campuses will be reduced through limitations on the numbers of spaces and through prioritizing spaces for short-term and ride-share uses, through appropriate pricing and space allocations for ride-share uses.

As described above, CPMC will encourage the use of public transit for trips to its campuses by many methods, including the relocations of Muni stops for more convenient transit access. By providing parking for employees at off-site locations which are served by its inter-campus shuttle, CPMC encourages its employees to utilize these sites that are located farther from its facilities. Parking is provided at all campus garage facilities for ride-share vehicles and bicycles.

OBJECTIVE 21:
DEVELOP TRANSIT AS THE PRIMARY MODE OF TRAVEL TO AND FROM DOWNTOWN AND ALL MAJOR ACTIVITY CENTERS WITHIN THE REGION.

Policy 21.9
Improve pedestrian and bicycle access to transit facilities.

CPMC's plans for the Cathedral Hill, St. Luke's, and Davies Campuses, including their respective streetscape plans, include design elements that will improve pedestrian access to transit facilities and will provide bicycle parking for both employees and visitors, improving their access to transit. Please see the discussion above regarding Transportation Element Objective 1 for more detail regarding improvements related to pedestrian and bicycle access to transit facilities under CPMC's TDM program and CPMC's commitments under the proposed Development Agreement.

OBJECTIVE 23:
IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

Policy 23.1
Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

Policy 23.2
Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested, where sidewalks are less than adequately wide to provide appropriate pedestrian amenities, or where residential densities are high.

Policy 23.3
Maintain a strong presumption against reducing sidewalk widths, eliminating crosswalks and forcing indirect crossings to accommodate automobile traffic.

Policy 23.5
Establish and enforce a set of sidewalk zones that provides guidance for the location of all pedestrian and streetscape elements, maintains sufficient unobstructed width for passage of people, strollers and wheelchairs, consolidates raised elements in distinct areas to activate the pedestrian environment, and allows sufficient access to buildings, vehicles, and streetscape amenities.

Policy 23.6
Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

Policy 23.9
Implement the provisions of the Americans with Disabilities Act and the City's curb ramp program to improve pedestrian access for all people.

As part of the Project, CPMC proposes to widen certain sidewalks around the Cathedral Hill, St. Luke's, and Davies Campuses in response to the anticipated pedestrian activity. The widened sidewalks are consistent with the City's Better Streets Plan, and will enable appropriate pedestrian amenities, such as street trees, street furnishings, street trees, and landscaping. CPMC will also introduce new curb bulbs

and raised crosswalks at several locations in order to reduce the street crossing distance and improve pedestrian safety.

Please also see the discussions of Transportation Element Objectives 1 and 15 above for more detail regarding proposed pedestrian safety and streetscape improvements that are part of the Project or would be funded by CPMC as commitments under the Development Agreement.

OBJECTIVE 24:
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2
Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3
Install pedestrian-serving street furniture where appropriate.

Policy 24.4
Preserve pedestrian-oriented building frontages.

Policy 24.5
Where consistent with transportation needs, transform streets and alleys into neighborhood-serving open spaces or "living streets" by adding pocket parks in sidewalks or medians, especially in neighborhoods deficient in open space.

Street trees are the organizing element of the pedestrian environment. Locations for street trees, along with other streetscape elements such as irrigation, are identified through streetscape plans for the Cathedral Hill, St. Luke's, and Davies Campuses. Through the Conditions of Approval for each of these campuses, maintenance of the streetscape and campus landscaping will be required.

CPMC's streetscape plan for the Cathedral Hill Campus provides for seasonal garden zones along Van Ness Avenue and rainwater gardens around the Cathedral Hill Hospital on Geary Boulevard and Franklin and Post Streets. The seasonal gardens would consist of ornamental and flowering trees and perennials. Flowering trees are located within the planting area, between the street tree spacing. The seasonal gardens will also serve to treat storm water during the rainy season.

The rain gardens will be graded to allow two plant communities along each street. Higher areas would support dry plants, while the lower areas would support water-loving plants that thrive in the seasonal rains. Plants would also be selected to emphasize the difference between these wet and dry zones. Also, different plant communities for each zone would respond to microclimates of the sites: sun-loving plants along Geary Boulevard, shade-tolerant plants along Post Street, and wind-tolerant plants along Franklin Street.

All planting areas would be irrigated with a low-water-use irrigation system during the dry season.

Street trees would be planted at an approximately 30-foot spacing along all of the streets within the Cathedral Hill Campus area. The Van Ness Area Plan requires London Plane trees along Van Ness Avenue. A light and tall tree species, such as Honey Locust, is proposed for Cedar Street. The Franklin Street trees would be a dense evergreen species, such as Brisbane Box, that would fit in with the existing

trees along Franklin Street. Geary Boulevard and Post Street would be planted with medium-density shade trees.

At the St. Luke's Campus, the new buildings will be organized around a landscaped open space that mimics the existing San Jose Avenue alignment between Cesar Chavez Street and 27th Street. This landscaped public plaza spans two levels and is designed to unify the St. Luke's Campus, mediate the site's significant grade change and provide a public pedestrian pathway along a similar path of travel as the vacated San Jose Avenue right-of-way between Cesar Chavez and 27th Streets. The lower north plaza at Cesar Chavez will front the St. Luke's Replacement Hospital's cafeteria and primary entrance at the northeast corner of the building and the ground floor retail at the base of the St. Luke's MOB, providing pedestrian interest and visibility into the building.

At the Davies Campus, the landscaping of Noe Street alongside the Neuroscience Institute will be designed to be compatible with the existing streetscape. The existing sidewalk area will be widened, reconfigured and replanted, creating an environment that both patients and residents can enjoy. The proposed right-of-way improvements will include several species of trees suitable to a residential neighborhood.

All new buildings at the Cathedral Hill, St. Luke's, and Davies Campuses have been designed to allow for visibility into the ground floor spaces of the buildings in order to make the pedestrian environment more agreeable and safe; features at these campuses include retail kiosks, retail tenant spaces, cafeterias, and pedestrian entrances and lobbies.

The western end of Cedar Street will be transformed into an Entry Plaza for the Cathedral Hill MOB. Features will include a curbless drop-off area defined by tactile warning tiles and lighted bollards, and enhanced paving. Curbs are maintained throughout the alley outside of the drop-off zone. East of the Entry Plaza/drop off area, the street and sidewalk pavement will be enhanced, and the sidewalks will be planted with street trees and shrubs, and pedestrian-level street lights will be installed. The street is planned so that it could be used for special events such as street fairs or markets in the evenings or on weekends, when the Cathedral Hill MOB is closed.

OBJECTIVE 26:
CONSIDER THE SIDEWALK AREA AS AN IMPORTANT ELEMENT IN THE CITYWIDE OPEN SPACE SYSTEM.

Policy 26.1
Retain streets and alleys not required for traffic, or portions thereof, for through pedestrian circulation and open space use.

Policy 26.2
Partially or wholly close certain streets not required as traffic carriers for pedestrian use or open space.

Policy 26.3
Encourage pedestrian serving uses on the sidewalk.

As described above, CPMC's streetscape plan for the Cathedral Hill Campus provides many sidewalk improvements that are consistent with Transportation Element Objective 26 and Policies 26.1 through

26.3. The potential kiosk markets are just one example of pedestrian-serving uses on the sidewalk that are consistent with Policy 26.3. Other examples include attractive and functional street furniture and enhanced transit stops. The streetscape plan's proposed transformation of Cedar Street into an area that could be used as a neighborhood-serving open space is consistent with Policies 26.1 and 26.2.

*CPMC's plaza and **s**treetscape design process for the St. Luke's Campus took into consideration existing open space in the vicinity and current proposals for additional public space. The plaza will convert portion of San Jose Avenue not needed for motorized or non-motorized vehicle traffic into a significant improvement to pedestrian access in the area, connecting the upper southern part of the St. Luke's Campus directly with Cesar Chavez Street to the north. The streetscape plan for the St. Luke's Campus includes sidewalk planning that treats the sidewalk area as an important public access realm.*

At the Davies Campus, the Noe streetscape design and plaza entry at the southern end of the Neuroscience Institute greatly enhance the pedestrian realm along Noe Street, better connecting relatively more improved sections of Noe Street with Duboce Park to the north.

OBJECTIVE 28:
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1
Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3
Provide parking facilities which are safe, secure, and convenient.

CPMC's plans for the Cathedral Hill, St. Luke's, and Davies Campuses include reliable, safe, secure, and conveniently located bicycle parking facilities that are sheltered from the weather for staff, along with bicycle racks at the main entrances for the public.

At the Cathedral Hill Campus, CPMC plans to provide 150 bicycle parking spaces in the new parking garage at the Cathedral Hill Hospital, along with shower facilities for staff bicyclists, and 62 bicycle parking spaces in the new parking garage at the Cathedral Hill MOB, along with shower facilities for staff. Bicycle racks will also be provided for the public at the entrances to the Cathedral Hill Hospital and Cathedral Hill MOB.

CPMC currently provides 10 bicycle parking spaces within the Duncan Street Garage, and plans to provide bicycle parking spaces in the parking garage at the St. Luke's MOB, along with shower facilities for staff bicyclists. Approximately 10 bicycle racks will also be provided for the public at the entrance to the St. Luke's Emergency Department.

The Davies Campus currently provides 26 bicycle parking spaces, and the Near-Term Project would provide an additional 25 bicycle parking spaces in the plaza, by the main south entrance of the pedestrian plaza.

OBJECTIVE 30:
ENSURE THAT THE PROVISION OF NEW OR ENLARGED PARKING FACILITIES DOES NOT ADVERSELY AFFECT THE LIVABILITY AND DESIRABILITY OF THE CITY AND ITS VARIOUS NEIGHBORHOODS.

Policy 30.1
Assure that new or enlarged parking facilities meet need, locational and design criteria.

Policy 30.5
In any large development, allocate a portion of the provided off-street parking spaces for compact automobiles, vanpools, bicycles and motorcycles commensurate with standards that are, at a minimum, representative of their proportion of the city's vehicle population.

Policy 30.6
Make existing and new accessory parking available to nearby residents and the general public for use as short-term or evening parking when not being utilized by the business or institution to which it is accessory.

The proposed below-grade parking garages at the Cathedral Hill Campus and within the St. Luke's MOB have been designed to meet the need and location of the proposed facilities, and have been designed in consultation with the Planning Department's transportation planners. At the Cathedral Hill Campus, this results in narrow garage entries and restricted ingress/egress at various access points. The capacity of parking provided within the Cathedral Hill Campus and the St. Luke's MOB garages is consistent with the Code allowance for off-street parking for facilities of the proposed size. The design of the garages, including access, egress, circulation and capacity, together with CPMC's parking strategy as set forth in its TDM program, assure that parking will meet the needs of the campuses to the extent feasible, but will not adversely affect the surrounding neighborhoods.

It is the current policy of CPMC, which will also apply to the Project , to reserve on-site parking for use by patients and doctors. Although staff is typically encouraged to use alternative modes of transportation, those who work in the evenings and at night, when space is readily available, will be able to park at the site. The amount of parking for the CPMC campuses has been determined to meet this need and locational and design criteria.

A portion of parking spaces at both Campuses will be allocated to compact automobiles, vanpools, bicycles and motorcycles commensurate with standards that exceed their proportion of the city's vehicle population. Spaces will also be provided for vehicles that are part of car-share programs.

Subject to capacity and reasonable security considerations, parking in the Cathedral Hill Hospital and Cathedral Hill MOB will be available to nearby residents and the general public in the evenings and on weekends.

OBJECTIVE 31:
ESTABLISH PARKING RATES AND OFF-STREET PARKING FARE STRUCTURES TO REFLECT THE FULL COSTS, MONETARY AND ENVIRONMENTAL, OF PARKING IN THE CITY.

Policy 31.1
Set rates to encourage short-term over long term automobile parking.

Policy 31.2
Where off-street parking near institutions and in commercial areas outside downtown is in short supply, set parking rates to encourage higher turnover and more efficient use of the parking supply.

Policy 31.3
Encourage equity between drivers and non-drivers by offering transit fare validations and/or cash-out parking programs where off-street parking is validated or subsidized.

CPMC's fee structure for the Cathedral Hill, St. Luke's, and Davies Campus parking garages, including the surcharges charged on every entry and exit at the Cathedral Hill Hospital and Cathedral Hill MOB pursuant to CPMC's Development Agreement commitments, as described in more detail above, will encourage short-term over long-term automobile parking, and will thereby encourage higher turnover and more efficient use of the parking supply.

As explained in more detail in the above discussion regarding Transportation Element Objective 1, CPMC's TDM program includes market rate parking pricing and transit fare subsidies, effectively giving preference to non-drivers. This exceeds the intent of Transportation Element Policy 31.3, which encourages equity between drivers and non-drivers.

OBJECTIVE 33:
CONTAIN AND LESSEN THE TRAFFIC AND PARKING IMPACT OF INSTITUTIONS ON SURROUNDING RESIDENTIAL AREAS.

Policy 33.1
Limit the provision of long-term automobile parking facilities at institutions and encourage such institutions to regulate existing facilities to assure use by short-term clients and visitors.

Policy 33.2
Protect residential neighborhoods from the parking impacts of nearby traffic generators.

Some of the residential areas adjacent to the Cathedral Hill, St. Luke's, and Davies Campuses are within Residential Parking Permit ("RPP") zones. CPMC has supported the use of RPPs in the neighborhoods around its campuses, which prevent parking by hospital personnel, patients and visitors on residential streets for more than two hours (during weekday business hours).

Although there are some trips to institutions which are appropriately made by automobile, especially for physicians, some medical appointments, and hospital visits, CPMC encourages work trips for staff to be made by transit wherever possible, and has implemented a system-wide TDM program, as described in more detail in the above discussion regarding Transportation Element Objective 1. In addition, new parking provided at the Cathedral Hill Campus has been carefully designed to favor short-term, carpool or bicycle parking for trips which cannot reasonably be made on transit. CPMC's fee structure for the Cathedral Hill, St. Luke's, and Davies Campus garage, including the surcharges charged on every entry and exit at the Cathedral Hill Hospital and Cathedral Hill MOB pursuant to CPMC's Development Agreement commitments, as described in more detail above, favors short-term over long-term automobile parking.

The St. Luke's Campus will provide a total of 450 structured parking spaces for the primary use of patients and visitors. Parking rates will be set to discourage long-term day use from hospital personnel. The proposed St. Luke's MOB would provide 220 parking spaces, and the vehicular entrances/exits will be on Cesar Chavez and Valencia Streets. No vehicular entrance or exits from the St. Luke's MOB garage would be on San Jose Avenue or 27th Street, which would limit the amount of traffic on those residential streets.

The Davies Campus will provide a total of 421 parking spaces for the primary use of patients and visitors. Parking rates will be set to discourage long-term day use from hospital personnel. No new vehicular entrances or exists to or from the existing surface parking lot or parking garage would be introduced as part of the Neuroscience Institute Project, thereby limiting the amount of traffic on those residential streets.

CPMC's parking strategy for the Cathedral Hill, St. Luke's, and Davies Campuses, including its TDM program, will contain and lessen the traffic and parking impact of the Project on surrounding residential areas.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:
EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.1
Recognize and protect major views in the city, with particular attention to those of open space and water.

Policy 1.3
Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.5
Emphasize the special nature of each district through distinctive landscaping and other features.

Policy 1.6
Make centers of activity more prominent through design of street features and by other means.

Policy 1.8
Increase the visibility of major destination areas and other points for orientation.

The Cathedral Hill Hospital and Cathedral Hill MOB will reinforce topography and the characteristic pattern both in the immediate neighborhood and as part of the larger Van Ness Avenue setting, and will not significantly affect major public view corridors. Because of the scale of the Cathedral Hill Hospital,

its architectural compatibility, its location at a transit hub, and its proposed streetscape design, the Cathedral Hill will be a significant presence, and will provide a positive image for the City as well as for the immediate neighborhood. The Cathedral Hill Hospital and Cathedral Hill MOB will provide a sense of purpose to the urban pattern, and will give variety to Van Ness Avenue. Additionally, the streetscape improvements proposed at the Cathedral Hill Campus are intended to provide a template for other potential improvements along Van Ness Avenue.

The Cathedral Hill Hospital would be taller than several of the buildings in the vicinity, particularly the commercial and residential buildings on the south side of Geary Boulevard. However, the Cathedral Hill Hospital would be consistent in height with the existing residential towers north and west of the site. The Cathedral Hill Hospital also would be consistent with the existing building skyline in the vicinity. The scenic views from Alta Plaza (southeast view) and Alamo Square (northeast view) would not be substantially altered.

The new Cathedral Hill MOB has been designed to be consistent with the height of existing buildings located west of the site along Van Ness Avenue, and along Geary Boulevard. It is designed to be Code-compliant with regard to height, but is reduced in height at the street in order to better relate to the prevailing street wall height along Van Ness Avenue.

For the above reasons, major views in the City and existing view corridors would be preserved.

Both the Cathedral Hill Hospital and Cathedral Hill MOB have been designed, through their architectural features and articulations, along with the streetscape design tying them together and into the neighborhood, to complement one another and to complement the surrounding buildings and neighborhoods. The total effect is that the Cathedral Hill Campus would be integrated into the pattern of the neighborhood, the Van Ness Corridor and the City as a whole. The Cathedral Hill Hospital, which is an important institutional use and a center of activity, will be architecturally distinctive and an appropriately prominent presence on the Van Ness corridor, while the Cathedral Hill MOB will be architecturally compatible with the prevailing pattern of buildings along Van Ness Avenue.

The Cathedral Hill Hospital will be visible as a major destination in the City for employees, as well as for patients, their families, and others. Van Ness Avenue and Geary Boulevard are major transportation corridors for both autos and public transportation. Van Ness Avenue, which is part of Highway 101 in San Francisco, links the North and South Bay communities. Highway 80, which connects to the East Bay, is accessed from South Van Ness Avenue approximately one mile south of the site. The Cathedral Hill Campus can be accessed directly by several major local and regional public transportation providers such as Muni and Golden Gate Transit. This major destination at a key transit hub will also be visible as a point of orientation in the neighborhood through the integration of the streetscape design described above.

At the St. Luke's Campus, the St. Luke's Replacement Hospital and St. Luke's MOB will reinforce topography and the characteristic pattern both in the immediate neighborhood and as part of their larger setting. Because of the scale of the St. Luke's Replacement Hospital, its architectural palate and compatibility, and the proposed streetscape design, it will be a significant presence, and will provide a

positive image for the City as well as for the immediate neighborhood. The St. Luke's MOB will also be appropriate in scale and architecture.

Both the St. Luke's Replacement Hospital and St. Luke's MOB have been designed, through their massing, their architectural features and articulations, along with the plaza and streetscape design tying them together and into the neighborhood, to complement one another and to complement the surrounding campus and neighborhoods. The total effect of the St. Luke's Replacement Hospital and St. Luke's MOB will be integrated into the pattern of both the neighborhood, the Mission District and the City as a whole.

CPMC's integrated design for the St. Luke's Replacement Hospital, St. Luke's MOB, public plaza and streetscape in the area emphasizes the special nature of the St. Luke's Campus area and the immediate neighborhood through distinctive landscaping, signage, and other elements. The St. Luke's Campus as a center of activity will be distinctive and appropriately prominent as a presence in the location where it has served the community since the 1870s.

The exteriors of the bases of the St. Luke's Replacement Hospital and of the St. Luke's MOB will be durable (currently envisioned to be a brick similar in tone to the existing 1912 Building) and will ground the buildings on the site, engaging users at the pedestrian level. Metal panels are used for the canopy which runs along the entire east side of the St. Luke's Replacement Hospital, unifying the upper and lower public plazas and creating a connection from the interior of the St. Luke's Replacement Hospital to the exterior terraced plazas. The soffit of the canopy is continuous between the interior and exterior, further connecting the St. Luke's Replacement Hospital to the organizing element of the St. Luke's Campus, the landscaped plaza and public pedestrian pathway along a similar path of travel as the vacated San Jose Avenue right-of-way between Cesar Chavez and 27th Streets.

At the Davies Campus, the proposed Neuroscience Institute would be located at the intersection of Noe Street and Duboce Avenue. Noe Street is considered a street of remarkable visual character, with distinct landscaping that includes a variety of trees and planters that activate the sidewalks and create a pleasant experience for neighbors and visitors alike. The activity from the street is reflected in the residential character with a diverse mixture of building styles and roof types. The activity continues at the edges of Noe Street to include the N-Judah Muni transit line and Duboce Park, creating a vibrant neighborhood that embodies a sense of place.

The height of the proposed Neuroscience Institute would be consistent with the scale of homes found in the area and would be Code-compliant with regard to height. The siting of the building at the base of Noe Street and Duboce Avenue would ensure that views from nearby open areas will be preserved. The proposed Neuroscience Institute will activate an underutilized site, which is currently a surface parking lot. The façade would correspond to the image of the neighborhood, and an intricate façade of vertical planes will provide visual interest. The selection of high-quality, sustainable hardwood (that will weather over time) is complementary to the neighborhood, providing a transition from the institutional nature of the Davies Campus to its residential and open space surroundings.

OBJECTIVE 2:

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

Policy 2.6
Respect the character of older development nearby in the design of new buildings.

Policy 2.9
Review proposals for the giving up of street areas in terms of all the public values that streets afford.

The integrated design of the Cathedral Hill Hospital and Cathedral Hill MOB takes into consideration the context of the site, including the older development nearby. The building configuration of the Cathedral Hill Hospital has been designed based on the need to accommodate the specialized operational and functional requirements of a major hospital building located on a single City block. The building has two distinct elements: a lower broad supporting podium and a narrow tower with an east-west orientation. These elements accommodate two distinct building functions: diagnostic and treatment and support services within the podium, and inpatient care in the upper bed tower. The Cathedral Hill Hospital's building silhouette, created by the tower and podium design, relates to both the immediate neighborhood context, the broader urban core, and the City's east-west skyline. The building also has been designed to minimize the proportion of the façade along Van Ness Avenue and Post and Franklin Streets and allow for an appropriate pedestrian scale along those streets.

The new Cathedral Hill Hospital's building massing, height and square footage would be concentrated most intensely on the southern half of the site, along Geary Boulevard, where the 15-story rectangular tower would be constructed. The lowest concentration of building mass, height and square footage would be located on the northern half of the site, along Post Street, where the six-story podium component would be constructed. This would be the closest part of the Cathedral Hill Hospital to the Daniel Burnham towers, and the height of the Hospital at this location is actually lower than the existing Cathedral Hill Office Building and the existing height limit for new construction at that location.

An important goal of the design of the Cathedral Hill MOB is to complement, to the extent feasible, the scale of nearby buildings so that it will fit within the urban pattern of this neighborhood. The Cathedral Hill MOB would consist of a rectangular-shaped building that would span the entire site. The massing, height and square footage would be concentrated most intensely on the western half of the site along Van Ness Avenue, where the nine-story (130-foot tall) portion of the new building will be. However, the height of the building at the Van Ness Avenue street wall would step down to be compatible with the predominant heights of buildings at the street. The building would also step down along the eastern half of the site, to be compatible with the height of the adjacent Pierce Arrow Building. The Pierce Arrow Building occupies the remaining portion of the block (approximately one quarter of the block). See also the analysis in Objective 3 and in Van Ness Area Plan, Objective 1, below.

In summary, the character of the surrounding development is both respected and enhanced by the design of the Cathedral Hill Hospital and Cathedral Hill MOB, including the integrated streetscape elements.

The Davies Neuroscience Institute building has been designed to incorporate colors and textures from the surrounding context, and to relate with both the adjacent residential neighborhood and the Duboce Park through the use of wood siding and residential-scale detailing. The new building will respect the character of the abutting older residential development by acting as a transition from the larger hospital tower buildings on the Davies, and will provide a connection north-south from the N-Judah Muni stop and Duboce Park to other parts of the surrounding neighborhood through the integrated streetscape design and transparency of the new building at the street.

The integrated design of the St. Luke's Replacement Hospital and St. Luke's MOB, the public plaza and streetscape, takes into consideration the context of the site, including the surrounding residential neighborhood and commercial activity along Cesar Chavez and Valencia Streets. The character of the surrounding development is both respected and enhanced by the design, scale, and massing of the St. Luke's Replacement Hospital and St. Luke's MOB.

The street vacation of San Jose Avenue, between Cesar Chavez and 27th Streets, would not be detrimental to vehicular or pedestrian circulation, because this portion of San Jose Avenue is gated at its northern end where it meets Cesar Chavez Street and has not been open to through traffic since at least 1968. CPMC currently uses the area proposed to be vacated pursuant to an encroachment permit recorded on May 15, 1968, predominantly for CPMC emergency vehicle access and surface parking. On February 6, 2002, the Department of Parking and Traffic submitted a letter to the Board of Supervisors, which concluded that the encroachment permit had minimal negative impact on the traffic circulation in the adjacent area, because the Street Area had been closed to through traffic for over 30 years, and residents in the neighborhood had become accustomed to its closure. As such, this portion of San Jose Avenue does not currently contribute positively to the urban fabric or pedestrian experience. Furthermore, the street vacation would not interfere with rights or access to any private property, as all properties that abut the area proposed for vacation are owned by CPMC as part of the St. Luke's Campus, which is fully served by other roadways. The street vacation also would not inhibit access for fire protection or any other emergency purpose, or interfere with utility lines or service without adequate reimbursement; obstruct or diminish a significant view or interfere with industrial operations; eliminate or reduce open space that could be used for public recreation; eliminate street space adjacent to a public facility such as a park; eliminate street space that has formed the basis for creation of any lot, or construction or occupancy of any building according to standards that would be violated by discontinuance of the street; enlarge a property that would result in additional dwelling units, excessive density, or a building of excessive height or bulk; reduce street space in areas of high building intensity without provision of new open space accessible for public enjoyment; remove significant natural features; have an adverse effect on any element of the General Plan; or result in a situation where the future development or use of such street area is unknown.

The street vacation of the portion of San Jose Avenue between Cesar Chavez and 27th Streets is necessary in order to facilitate the construction of a new seismically safe acute care hospital at the St. Luke's Campus while allowing for the continued operation of an existing acute care hospital on the same campus during the construction period, consistent with the Blue Ribbon Panel's recommendations. It would incorporate a well-designed pedestrian courtyard, landscaped plaza, and public pedestrian pathway along a similar path of travel as the vacated San Jose Avenue right-of-way between Cesar

Chavez and 27th Streets, and would further the public values and purposes of streets as expressed in The Urban Design Element and elsewhere in the General Plan.

OBJECTIVE 3:
MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1
Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2
Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.3
Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4
Promote building forms that will respect and improve the integrity of open spaces and other public areas.

Policy 3.5
Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

Policy 3.7
Recognize the special urban design problems posed in development of large properties.

At the Davies Campus, the proposed Neuroscience Institute has been designed to meet the programmatic needs of CPMC's patients, while also complementing the neighborhood's vibrancy and diverse mix of building styles.

The proposed Neuroscience Institute has been designed to provide a transition from the institutional nature of the existing Davies Campus to the surrounding residential neighborhood. With the siting and massing of the building along the Davies Campus property line, the proposed Neuroscience Institute will actively engage the neighborhood in way that has not previously been accomplished, and which will preserve the neighborhood's special features while restoring vitality to the design of the Davies Campus.

The Neuroscience Institute building would be complementary and harmonious with the existing neighborhood character in terms of architecture, scale, and massing. The façade will feature materials compatible with the residential neighborhood, including a sustainable harvested exterior wood cladding that will weather over time, accenting alternating inset windows of clear and translucent glass.

The height of the proposed Neuroscience Institute building would be similar in scale to the residential neighborhood. An optimum configuration of programmatic functions (mechanical components have been placed out of sight allowing the building to comply with height requirements without diminishing the aesthetics of the façade). This configuration would allow the proposed building to sit along the property line without casting significant new shadow that would impact the neighborhood's quality of life.

The design of the Neuroscience Institute creates a subtle transition from the institutional nature of the Davies Campus to its surroundings. The proposed Neuroscience Institute building will be approximately 13 feet in height on the façade nearest Duboce Park, and will then step up to approximately 40 feet in height along the primary (Noe Street) façade.

At the first floor of the Neuroscience Institute, a pedestrian corridor will be placed behind a translucent glass exterior extending the length of the building, leading to office doors. The wall space will provide opportunities to have art displayed, enlivening the experiences at the pedestrian level. In the evening, this corridor will remain lit to activate the sidewalk and provide increased visibility.

The engagement of the Noe/Duboce intersection with the siting and massing of the proposed Neuroscience Institute would be unique within the Davies Campus. Previous development has not created a vital dynamic between the campus and the neighborhood. The Neuroscience Institute would balance CPMC's programmatic needs related to serving the health care needs of the future population of the City, while respecting the existing development within the neighborhood.

In terms of streetscape, the Near-Term Project at the Davies Campus will include the replacement of an existing property line fence with a more interesting visual face to the campus. The proposed landscape, streetscape, and tree plans will result in a landscaped berm along the abutting southern surface parking lot frontage, a new entry plaza, a widened sidewalk, and a promenade along Noe Street to enhance the connection to and from the N-Judah Muni stop and Duboce Park.

The context of the St. Luke's Replacement Hospital and St. Luke's MOB within the St. Luke's Campus, as well as the relationship of the campus to its surroundings, were carefully considered in the design of these facilities, and in the design of the public plaza which will connect the facilities and integrate the St. Luke's Campus into the neighborhood. The St. Luke's Replacement Hospital design has been carefully massed and articulated to respond sensitively to the neighboring residents. The interior of the St. Luke's Campus, along a similar path of travel as the vacated portion of San Jose Avenue, would become more contemporary and animated and establish an organizing element (similar to a street grid).

The St. Luke's Replacement Hospital and St. Luke's MOB finishes will be similar to those which exist throughout the neighborhood. The base material on the lower floors will be durable (tile, stone or brick) and will ground the buildings on the site and engage pedestrians at the street level. For the upper floors glass fiber reinforced concrete ("GFRC") will be the primary material. Metal panels are used for the canopy that runs along the entire east side of the St. Luke's Replacement Hospital and will be a unifying element between the upper and lower plazas. The canopy would create a connection from the interior of the St. Luke's Replacement Hospital to the exterior terraced plazas. Because the soffit of the canopy would be continuous between the interior and exterior, the St. Luke's Replacement Hospital would be

connected to the organizing element of the St. Luke's Campus – the landscaped plaza and pedestrian pathway along a similar path of travel as the vacated San Jose Avenue right-of-way.

The height of the St. Luke's Replacement Hospital will be lower than the existing Hospital Tower on the St. Luke's Campus, and would improve the hospital's relationship to the neighborhood and the rest of the campus. The height of the St. Luke's MOB would relate to the height of the St. Luke's Replacement hospital, anchor the corner intersection of Cesar Chavez and Valencia Streets, and also would be lower than the height of the existing Hospital Tower.

According to the General Plan, clustering of larger, taller buildings, such as the proposed Cathedral Hill Hospital and Cathedral Hill MOB at important activity centers (such as the major transit nexus of Van Ness Avenue and Geary Boulevard) can visually express the functional importance of these centers. For emergency services purposes, medical centers should be identifiable, and easy to find and access.
Hospitals are generally built on large properties and stand out from residential uses. For emergency services purposes, the Cathedral Hill Campus must be easy to find and access. However, to the extent feasible, the Cathedral Hill Campus should also integrate with the design of the community. The Cathedral Hill Hospital and Cathedral Hill MOB will complement the City pattern and will promote harmony in visual relationships and transitions between new and older buildings. The Cathedral Hill Hospital is located on an entire city block, and its design, including the contrast between the podium and tower, is intended to promote harmony in visual transitions. The height and texture of the façade of the Cathedral Hill Hospital podium have been articulated to create an attractive building perimeter and streetscape. Building skin is primarily metal and glass. Different types of vision and spandrel glass in alternate patterns add interest to the façade. The curtain wall and metal rain screen along with several vertical recesses create a balanced and well-proportioned look for the tower. The use of stone at the podium is intended to provide a pleasant façade along the streetscape.

The Cathedral Hill MOB is designed to be compatible with the architecture, scale, and massing of the surrounding buildings. The design of the Cathedral Hill MOB relates to the historical vernacular the buildings found along Van Ness Avenue. Specifically, the glass skin originally proposed for the exterior treatment of the building has been replaced with a heavier quality material of concrete cladding (GFRC). The scale has been broken down with smaller scale window openings punched in the GFRC, similar to the two-story window bays found along many of the buildings along Van Ness Avenue. This revised design more closely matches the historical vernacular of the Van Ness Avenue corridor (i.e. Concordia Club, Regency Theater, Opal, 1000 Van Ness). The building's architectural organization has also been revised to include a symmetrical design; the entry has been relocated to the center of the property along Van Ness Avenue rather than at the corner. The strong symmetrical façade, clearly articulated "entrance", and solid base holds the corners more appropriately. The height of the building at the street has been lowered in order to better align with similar buildings along the Van Ness Avenue corridor, particularly the adjacent building, the Concordia Club. The upper portion of the building has been set back from the Van Ness Avenue podium façade to reinforce this scale at the street, and a contemporary cornice has been added at the top of the podium to cap the building, as many buildings on Van Ness Avenue have strong cornices along the street. These design changes to the Cathedral Hill MOB result in a building that relates more to the vernacular of existing prominent buildings found along Van Ness Avenue, and less to the associated Cathedral Hill Hospital on the west side of Van Ness Avenue.

The Cathedral Hill Hospital and Cathedral Hill MOB together, with the proposed streetscape improvements, will create a well-designed street wall harmonious with building forms along Van Ness Avenue, while complimenting the City's east-west skyline of buildings along Geary Boulevard/Street. The high quality of design and distinguished architecture of the Cathedral Hill Hospital and Cathedral Hill MOB, together with its prominent location, will avoid inappropriate contrasts in color, shape or other characteristics.

OBJECTIVE 4:
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.1
Protect residential areas from the noise, pollution and physical danger of excessive traffic.

Policy 4.3
Provide adequate lighting in public areas.

Policy 4.4
Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.5
Provide adequate maintenance for public areas.

Policy 4.12:
Install, promote and maintain landscaping in public and private areas.

Policy 4.13:
Improve pedestrian areas by providing human scale and interest.

Policy 4.14:
Remove and obscure distracting and cluttering elements.

Policy 4.15
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

The neighborhood environment in the vicinity of the St. Luke's, Davies, and Cathedral Hill Campuses will be improved to increase public safety, comfort, pride and opportunity as envisioned by this Objective and these related Policies. Surface parking lots that abut low-density residential development at the Davies and St. Luke's Campuses will be eliminated and become the location for development of new buildings that will improve the continuity and compatibility of development on those existing campuses. Protection will be provided to minimize the exposure of residential areas to noise, pollution and physical danger of excessive traffic. The streetscape designs at all three campuses will be integrated with the active bases of the proposed new buildings, providing human scale and interest, thereby

improving the overall public realm. Landscaping would be provided in public and private areas at all three campuses.

Under the proposed Development Agreement, CPMC would be committed to funding several streetscape, lighting, and pedestrian safety improvements, including:

- *Providing $8 million for public realm and pedestrian safety improvements in the Tenderloin, including pedestrian-scale lighting; sidewalk widening; installation of corner bulbs and related crosswalk improvements and signal modifications at specified corners; and changing specified streets from one-way to two-way.*
- *Providing $150,000 to help form a Lower Polk CBD, as well as a $1 million seed grant to the CBD.*
- *Providing a $200,000 grant for the Safe Passage Pilot program in the Tenderloin.*
- *Constructing a series of public realm and pedestrian safety improvements around the Davies Campus, valued at approximately $475,000.*
- *Constructing a series of public realm and pedestrian safety improvements around the St. Luke's Campus, valued at approximately $3,300,000.*

CPMC's commitments under the Development Agreement for public realm and pedestrian safety improvements around the Davies Campus would include crosswalk and stop line striping at the Noe/Duboce intersection; pedestrian walkway improvements at Duboce Avenue, south side, near the intersection with Noe Street, including new painted steel fencing, two signs, striping, two new light fixtures, and new electrical service; tree island improvements at two locations; additional street trees and other tree work along the east side of Noe Street; pedestrian walkway improvements at 14th Street, north side, near the intersection with Noe Street, including new painted steel fencing, two signs, striping, two new light fixtures, and new electrical service; new ADA-compliant sidewalk flare-downs in three locations at the 14th Street/Noe Street intersection; replacement of the Davies Campus perimeter fence; and addition of pedestrian-scale lighting at all entrances within the Davies Campus.

CPMC's commitments under the Development Agreement for public realm and pedestrian safety improvements around the St, Luke's Campus would include widening the western sidewalk of Valencia Street from 10' to approximately 20' from Cesar Chavez Street to Duncan Street, including trees and bulb-outs at the southwest corner of Valencia and Duncan; permanently upgrading the traffic diverter and plaza known as "Guerrero Park" at the intersection of San Jose Avenue, Guerrero Street, and 28th Street, including construction of new curb, installation of pavers, raised planter beds, new trees and landscaping, irrigation, and lighting; upgrade of St. Luke's Campus perimeter lighting along Valencia between Cesar Chavez and Duncan; upgrade of St. Luke's Campus perimeter fencing; various pedestrian bulb-outs and median extensions; pedestrian lighting on the sidewalk along Duncan between Valencia and San Jose, along San Jose between Cesar Chavez and Duncan, along 27th Street between Guerrero and San Jose, and along Cesar Chavez between Valencia and Guerrero; repairing a retaining wall and 1912 Building stairs and related landscape area upgrade within the St. Luke's Campus; and installing a pocket park at the intersection of Valencia, Duncan, and Tiffany Avenue.

COMMUNITY SAFETY ELEMENT

Objectives and Policies

OBJECTIVE 2
REDUCE STRUCTURAL AND NON-STRUCTURAL HAZARDS TO LIFE SAFETY, MINIMIZE PROPERTY DAMAGE AND RESULTING SOCIAL, CULTURAL AND ECONOMIC DISLOCATIONS RESULTING FROM FUTURE DISASTERS.

Policy 2.1
Assure that new construction meets current structural and life safety standards.

Policy 2.3
Consider site soils conditions when reviewing projects in areas subject to liquefaction or slope instability.

Policy 2.5
Assess the risks presented by other types of potentially hazardous structures and reduce the risks to the extent possible.

Policy 2.9
Consider information about geologic hazards whenever City decisions that will influence land use, building density, building configurations or infrastructure are made.

The Project will enable CPMC to continue to provide essential health services to the community without interruption, in modern facilities that will comply with the most stringent state seismic mandates in SB 1953. CPMC's site selection for the new Cathedral Hill Campus was in part based on soil conditions at the site that were stable enough for a new acute care hospital.

OBJECTIVE 3
ENSURE THE PROTECTION OF LIFE AND PROPERTY FROM DISASTERS THROUGH EFFECTIVE EMERGENCY RESPONSE. PROVIDE PUBLIC EDUCATION AND TRAINING ABOUT EARTHQUAKES AND OTHER NATURAL DISASTERS AND HOW INDIVIDUALS, BUSINESSES AND COMMUNITIES CAN REDUCE THE IMPACTS OF DISASTERS.

Policy 3.1
Promote greater public awareness of disaster risks, personal and business risk reduction, and personal and neighborhood emergency response.

Policy 3.3
Maintain a local organization to provide of emergency services to meet the needs of San Francisco.

Policy 3.5
Maintain an adequate Emergency Command Center.

Policy 3.7
Establish a system of emergency access routes for both emergency operations and evacuation.

Because the new hospital facilities can be expected to remain operational after a strong earthquake, CPMC's role in emergency preparedness will be enhanced. Emergency preparedness for the City will also be enhanced by the expanded capacity within the new Emergency Department facilities and improved emergency communications centers proposed as part of the Project.

VAN NESS AREA PLAN

Objectives and Policies

OBJECTIVE 1:
CONTINUE EXISTING COMMERCIAL USE OF THE AVENUE AND ADD A SIGNIFICANT INCREMENT OF NEW HOUSING.

Policy 1.6
Allow a medical center at the intersection of Van Ness Avenue and Geary Boulevard.

The Cathedral Hill Medical Center is considered to be a high-density medical center, and will be located at the transit nexus of Van Ness Avenue and Geary Boulevard/Street. It would support Van Ness Avenue's redevelopment as a mixed-use boulevard by diversifying the mix of nonresidential uses, maximizing utilization of the major bus lines/transit node, and locating medical care and essential emergency services in close proximity of the City's dense urban core and at a central location for both day and nighttime populations groups within the City. It would also create opportunities for improved streetscape and pedestrian amenities at a key transit nexus that are consistent with the Better Streets Plan.

OBJECTIVE 5:
ENCOURAGE DEVELOPMENT WHICH REINFORCES TOPOGRAPHY AND URBAN PATTERN, AND DEFINES AND GIVES VARIETY TO THE AVENUE.

Policy 5.1
Establish height controls to emphasize topography and adequately frame the great width of the Avenue, and support the redevelopment of the Avenue as a diverse, mixed-use boulevard and transit corridor.

Policy 5.2
Encourage a regular street wall and harmonious building forms along the Avenue.

Policy 5.3
Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

Policy 5.4
Preserve existing view corridors.

Policy 5.6
Encourage separation of towers for buildings involving more than one tower.

The Cathedral Hill Hospital and Cathedral Hill MOB at the transit nexus of Geary Boulevard and Van Ness Avenue will complement the City pattern and will promote harmony in visual relationships and transitions between new and older buildings. The Cathedral Hill Hospital is located on an entire City block. Its design, including the podium and narrower tower, is intended to promote harmony in visual transitions. The Cathedral Hill MOB is designed to be compatible with the scale, massing, and overall vernacular of the surrounding buildings. The Cathedral Hill Hospital and Cathedral Hill MOB, together with the proposed streetscape improvements, will create a well-designed street wall with harmonious building forms along Van Ness Avenue.

The Cathedral Hill Hospital would be taller than several of the buildings in the vicinity, particularly the commercial and residential buildings on the south side of Geary Boulevard. However, the Cathedral Hill Hospital would be consistent in height with the existing residential towers north and west of the site, and would comply with the 265 foot limit in Map 2 of the Van Ness Area Plan. The Cathedral Hill Hospital also would be consistent with the existing building skyline in the vicinity and the heights in Map 2. The scenic views from Alta Plaza (southeast view) and Alamo Square (northeast view) would not be substantially altered.

The new Cathedral Hill MOB has been designed to be consistent with the height of existing buildings located west of the site along Van Ness Avenue, and along Geary Boulevard. It is designed to be Code-compliant with regard to height, but is reduced in height at the street in order to better relate to the prevailing street wall height along Van Ness Avenue.

For the above reasons, major views in the City and existing view corridors would be preserved.

The design of the podium of the Cathedral Hill Hospital and of the Cathedral Hill MOB is consistent with Objectives of the Van Ness Area Plan. The height and texture of the façade of the Hospital podium have been articulated to create an attractive building perimeter and streetscape. Building skin is primarily metal and glass. Different types of vision and spandrel glass in alternate patterns add interest to the façade, both at a skyline and pedestrian level. The curtain wall and metal rain screen along with several vertical recesses create a balanced and well-proportioned look for the tower. The use of stone at the podium, along with retail kiosks along the base of the building at Van Ness Avenue, will provide a pleasant façade along the streetscape that will frame the corridor.

The Cathedral Hill MOB has been designed to be compatible with the architecture, scale, and massing of the surrounding buildings. The design of the Cathedral Hill MOB relates to the historical vernacular

the buildings found along Van Ness Avenue. Specifically, the scale and material of the building responds to the surrounding context by the use of smaller scale window openings punched in the GFRC, similar to the two-story window bays found along many of the buildings along Van Ness Avenue. The building's symmetrical design is grounded on Van Ness Avenue with a clearly articulated "entrance", and solid base. The height of the building at the street aligns with similar buildings along the Van Ness Avenue corridor, particularly the adjacent building, the Concordia Club. The upper portion of the building has been set back from the Van Ness Avenue podium façade to reinforce the predominant scale at the street.

These design features of the Cathedral Hill Hospital and Cathedral Hill MOB assure that the exterior facades will complement and enhance significant works of architecture along Van Ness Avenue. They will create varied rhythms with changes in fenestration and materials to articulate the façade plane, incorporate setbacks and stepping down of building forms to frame the street and be compatible with adjacent buildings, and incorporate detail at base the buildings through variety of materials, color, texture and architectural projections.

To respond to the bulk policies of the Van Ness Avenue Area Plan, the building configuration of the Cathedral Hill Hospital has two distinct elements: a broad lower supporting podium and a narrow tower with an east-west orientation. This east-west pattern is consistent with City-wide policy of articulating towers to respond to the topography and existing skyline. The combination of the tower and podium creates a building silhouette that relates to both the immediate neighborhood context and the broader urban core. The building design minimizes the proportion of the façade along Van Ness Avenue and Post and Franklin Streets and allows for an appropriate pedestrian scale along those streets.

The Cathedral Hill MOB would replace smaller buildings along Geary Street between Van Ness Avenue and Polk Street. An important goal of the design of the Cathedral Hill MOB is to complement, to the extent feasible, the scale of the buildings along Van Ness Ave, so that the Cathedral Hill MOB will fit within the urban pattern of this neighborhood. The stepped massing of the Cathedral Hill MOB down along Geary Street from Van Ness Avenue allows the building scale to transition down to the adjacent neighborhood toward Polk Street.

As prescribed by Objective 5 of the Van Ness Area Plan, the height of the Cathedral Hill Hospital , complies with the 265 foot height limit in Map 2, relates to the City pattern as well as to the topography, and character of existing development in the area, while meeting the other objectives of the Plan. The design for the Cathedral Hill Hospital, Cathedral Hill MOB and streetscape emphasizes topography and improves the framing of Van Ness Avenue, particularly compared to the lack of framing resulting from the existing Cathedral Hill Hotel and Office Building, which are setback from the street.

OBJECTIVE 6:
ENCOURAGE DISTINGUISHED ARCHITECTURE WHOSE SCALE, COMPOSITION AND DETAILING ENHANCES THE OVERALL DESIGN STRUCTURE OF THE AVENUE AND RELATES TO HUMAN SCALE.

Policy 6.1
Design exterior facades which complement and enhance significant works of architecture along the Avenue.

Policy 6.2
Create varied rhythms in developments on large lots by inserting vertical piers/columns, or changes in fenestration and materials to articulate what otherwise would be an undifferentiated facade plane.

Policy 6.3
Incorporate setbacks and/or stepping down of building form on new developments — and major renovations when necessary — to increase sun exposure on sidewalks.

Policy 6.4
Differentiate bases of buildings and incorporate detail at ground level through variety in materials, color, texture and architectural projections. Provide windows with clear glass throughout the building.

The Cathedral Hill Campus will complement the City pattern and will promote harmony in visual relationships and transitions between new and older buildings. The Cathedral Hill Hospital is located on an entire city block, and its design, including the podium and narrower tower, is intended to promote harmony in visual transitions. The Cathedral Hill MOB is designed to transition to be compatible with the scale, massing, and vernacular of the surrounding buildings. The Cathedral Hill Hospital and Cathedral Hill MOB, with the proposed streetscape improvements, will create a well-designed street wall with harmonious building forms along Van Ness Avenue. The high quality of design and distinguished architecture of the Cathedral Hill Hospital and Cathedral Hill MOB, together with their prominent location, will avoid inappropriate contrasts in color, shape or other characteristics.

The designs of the podium of the Cathedral Hill Hospital and of the Cathedral Hill MOB are consistent with Objectives of the Van Ness Area Plan. The height and texture of the façade of the Cathedral Hill Hospital podium have been articulated to create an attractive building perimeter and streetscape. Building skin is primarily metal and glass. Different types of vision and spandrel glass in alternate patterns add interest to the façade, both at a skyline and pedestrian level. The curtain wall and metal rain screen along with several vertical recesses create a balanced and well-proportioned look for the tower. The use of stone at the podium, along with retail kiosks along the base of the building at Van Ness Avenue, will provide a pleasant façade along the streetscape that will frame the corridor.

The Cathedral Hill MOB has been designed to be compatible with the architecture, scale, and massing of the surrounding buildings. The design of the Cathedral Hill MOB relates to the historical vernacular the buildings found along Van Ness Avenue. Specifically, the scale and material of the building responds to the surrounding context by the use of smaller scale window openings punched in the GFRC, similar to the two-story window bays found along many of the buildings along Van Ness Avenue. The building's symmetrical design is grounded on Van Ness Avenue with a clearly articulated "entrance", and solid base. The height of the building at the street aligns with similar buildings along the Van Ness Avenue corridor, particularly the adjacent building, the Concordia Club. The upper portion of the

building has been set back from the Van Ness Avenue podium façade to reinforce the predominant scale at the street.

These design features of the Cathedral Hill Hospital and Cathedral Hill MOB assure that the exterior facades will complement and enhance significant works of architecture along Van Ness Avenue. They will create varied rhythms with changes in fenestration and materials to articulate the façade plane, incorporate setbacks and stepping down of building forms to frame the street and be compatible with adjacent buildings, and incorporate detail at base the buildings through variety of materials, color, texture and architectural projections.

OBJECTIVE 8:
CREATE AN ATTRACTIVE STREET AND SIDEWALK SPACE WHICH CONTRIBUTES TO THE TRANSFORMATION OF VAN NESS AVENUE INTO A RESIDENTIAL BOULEVARD.

Policy 8.1
Require sponsors of major renovation or new development projects to improve and maintain the sidewalk space abutting their properties according to the guidelines contained in this Plan.

Policy 8.2
Where there are no trees, plant trees within the sidewalk space and the median strip. Maintain existing healthy trees and replace unhealthy ones.

Policy 8.3
Provide street trees with tree grates that have removable sections to adequately accommodate tree growth.

Policy 8.5
Maintain existing sidewalk widths.

Policy 8.6
Incorporate uniform sidewalk paving material, color, pattern and texture throughout the length of the Avenue.

Policy 8.7
Trim sidewalk curbs with hydraulically pressed, pre-cut four-inch square stone paving blocks to a horizontal depth of 12 inches. Replace median pavements with grey tone interlocking paving blocks.

Policy 8.8
Assure a uniform architectural style, character and color in the design of street lights and poles.

Policy 8.9
Provide attractive street furniture at convenient locations and intervals throughout the length of the street.

Projects located at the transit nexus of Van Ness Avenue and Geary Boulevard are consistent with the policies in Objective 8 if they include an integrated streetscape plan that incorporates – among other elements – planting, sidewalk treatment, street lighting and street furniture, and that is generally consistent with the streetscape guidelines regarding such elements in Chapter 6 of the Better Streets Plan; and locate and design any sidewalk vaults or sub-sidewalk spaces so that they are compatible with such streetscape plans.

The Cathedral Hill Campus is consistent with Objective 8. All sidewalks contiguous to the Cathedral Hill Hospital and Cathedral Hill MOB will be improved and maintained by CPMC. CPMC's streetscape plan for the Cathedral Hill Campus provides for seasonal garden zones along Van Ness Avenue, and rainwater gardens around the Cathedral Hill Hospital on Geary Boulevard and Franklin and Post Streets. The seasonal garden would consist of ornamental and flowering trees and perennials, and would serve to treat storm water during the rainy season. Flowering trees would be located within the planting area, between the street tree spacing. The rain gardens would be graded to allow two plant communities along each street. Higher areas would support dry plants, while the lower areas would support water-loving plants that thrive in the seasonal rains. Plants would also be selected to emphasize the difference between these wet and dry zones. Also, different plant communities for each zone would respond to microclimates of the sites: sun-loving plants along Geary Boulevard, shade-tolerant plants along Post Street, and wind-tolerant plants along Franklin Street. All planting areas would be irrigated with a low-water-use irrigation system during the dry season.

Street trees would be planted and evenly spaced along all of the streets within the Cathedral Hill Campus area. The Van Ness Area Plan requires London Plane trees along Van Ness Avenue, and a light and tall tree species, such as Honey Locust, would be installed along Cedar Street. The Franklin Street trees would be a dense evergreen species, such as Brisbane Box, which would fit in with the existing trees along Franklin Street, and the Geary Street/Boulevard and Post Street frontages would be planted with medium-density shade trees.

The existing sidewalks will be replaced and expanded, consistent with the intent of the Van Ness Area plan as well as the City's adopted Better Streets Plan. Although the streetscape plan for the Cathedral Hill Campus includes widening of certain sidewalks around the Cathedral Hill Hospital and Cathedral Hill MOB, such widening is appropriate, given the scale and massing of the buildings planned and the anticipated pedestrian activity in the area, and is consistent with the Better Streets Plan. The sidewalks will be rebuilt with the City-standard paving, except at the main entrances of the Cathedral Hill Hospital and Cathedral Hill MOB, where there will be distinctive yet compatible paving, which CPMC will be responsible for maintaining. CPMC's proposed paving plan is compatible with the City-standard paving for the area, and appropriate given the specific context of the Cathedral Hill Hospital and Cathedral Hill MOB.

The historic lighting fixtures along Van Ness Avenue will be retained. Along Geary Street/Boulevard, Post and Franklin Streets, the existing city standard streetlights would be reinstalled. Along Cedar Street, new pedestrian-level streetlights would be installed, which would be a uniform architectural style, character and color. Additional pedestrian-level lighting would also be provided at both the Cathedral Hill Hospital and Cathedral Hill MOB.

CPMC's streetscape plan for the Cathedral Hill Campus includes pedestrian-serving street furniture, including seat wall elements as part of the seasonal gardens planned along both sides of Van Ness Avenue. Seating walls would also be placed near the relocated transit stop along Geary Boulevard near the intersection of Van Ness Avenue.

CPMC's integrated design for the Cathedral Hill Hospital, Cathedral Hill MOB and streetscape in the area, as described above, emphasizes the special nature of the Cathedral Hill Campus at the transit nexus of Van Ness Avenue and Geary Street/Boulevard through distinctive yet compatible landscaping, paving, street furniture, and other elements.

OBJECTIVE 9:
PROVIDE SAFE AND EFFICIENT MOVEMENT AMONG ALL USERS ON VAN NESS AVENUE.

Policy 9.5
Whenever feasible, provide access to parking from minor east-west streets. Prohibit new parking access from Van Ness Avenue. For development of lots with no direct access to an east-west street, allow of-site provision of required parking as set forth in Section 159(c) of the Planning Code.

Policy 9.10
Improve the efficient and free flowing use of sidewalk space in new development.

Policy 9.11
Orient building entrances to enhance pedestrian circulation.

Policy 9.12
Unify the design of trash bins, benches, news racks, street lighting fixtures, sidewalk surface treatment, canopies, awnings and bus shelters throughout the length of the street.

Policy 9.13
Discourage access to freight loading facilities from Van Ness Avenue.

No parking access to the Cathedral Hill Campus will be provided from Van Ness Avenue, which would be a positive change from the Cathedral Hill Hospital site's current vehicular access points, which include a driveway on Van Ness Avenue. Approximately seven curb cuts on or near Van Ness Avenue will be removed as part of the proposed development at the Cathedral Hill Campus. Furthermore, primary ingress and egress for the Cathedral Hill MOB will be from Cedar Street, a minor east-west street, and primary ingress and egress for the Cathedral Hill Hospital will be from Post Street, which, while not a minor street, is less of a major transit thoroughfare than Geary Boulevard, the other east-west street adjoining the Cathedral Hill Hospital. The placement of the vehicular access points to be provided for the garage facilities at the Cathedral Hill Campus are planned to minimize conflicts between automobiles and pedestrians, and to minimize traffic and transit delays associated with queuing into and out of the Cathedral Hill Campus parking facilities.

CPMC's streetscape plan for the Cathedral Hill Campus would improve street frontages in the campus area with wider sidewalks that provide more space for pedestrians and more queuing space for transit users, thereby improving the efficient and free flowing use of sidewalk space. Additionally, under the proposed Development Agreement, CPMC would be committed to $8 million in funding for pedestrian safety and public realm improvements in the Tenderloin, including pedestrian-scale lighting and additional sidewalk widening.

CPMC would provide entry plazas with distinctive landscape and hardscape features at the entrances to both the Cathedral Hill Hospital and Cathedral Hill MOB. The western end of Cedar Street will be transformed into the entry plaza for the Cathedral Hill MOB, with features including a curbless drop-off area defined by tactile warning tiles and lighted bollards, and enhanced paving. East of the Cathedral Hill MOB entry plaza, the street and sidewalk pavement will be enhanced, and the sidewalks will be planted with street trees and shrubs, and pedestrian-level street lights will be installed. Additionally, the locations of entrances to the Cathedral Hill Hospital and Cathedral Hill MOB were planned taking into consideration access from existing and planned transit stops, and the proposed Geary Boulevard Muni stop would be integrated with the Cathedral Hill Hospital entry plaza. Therefore, the entrances would be oriented in a manner that would enhance pedestrian circulation.

CPMC's streetscape plan for the Cathedral Hill Campus, including design of trash bins, benches, street lighting fixtures, sidewalk surface treatment, and others streetscape features would be consistent with design considerations for the entire Van Ness Avenue.

The freight loading facilities for the Cathedral Hill Hospital are on the Franklin Street side of the Cathedral Hill Hospital and will accommodate trucks up to 55 feet long, while the freight loading facilities for the Cathedral Hill MOB are on Cedar Street. The size and configuration of the loading docks for the Cathedral Hill Hospital and Cathedral Hill MOB will allow delivery vehicles to drive into the facilities without stopping or backing up on surrounding streets, in order to any associated congestion. The garages at both the Cathedral Hill Hospital and Cathedral Hill MOB have been designed to accommodate small delivery vehicles.

The design and locations of the loading facilities and access thereto will also minimize conflict between vehicular access and pedestrian circulation. Many deliveries of necessary supplies and other materials will be made from the Sutter Health regional distribution center in Millbrae, which allows for a more efficient delivery schedule and minimizes trips.

The underground Van Ness Avenue pedestrian tunnel connecting the Cathedral Hill Hospital and Cathedral Hill MOB will be used for movement of pedestrians and materials between the buildings, thereby further reducing street congestion.

OBJECTIVE 11:
PRESERVE THE FINE ARCHITECTURAL RESOURCES OF VAN NESS AVENUE.

Policy 11.1
Avoid demolition or inappropriate alteration of historically and architecturally significant buildings.

Policy 11.3
Encourage the retention and appropriate alteration of contributory buildings.

Policy 11.4
Encourage architectural integration of new structures with adjacent significant and contributory buildings.

Six of the seven buildings proposed to be demolished at the site of the Cathedral Hill MOB are considered contributory buildings per Appendix B of the Van Ness Avenue Area Plan. These buildings are 1020, 1030, 1034-1036, 1040, 1054-1060, and 1062 Geary Street. As confirmed in the FEIR analysis, "contributory" in this context does not mean that the buildings are of sufficient value to qualify as landmarks or historic resources, but as noted in the Van Ness Avenue Area Plan they are considered to possess architectural qualities which are in harmony with the prevailing characteristics of the more significant landmark buildings and as contributing to the character of the street.

The Cathedral Hill MOB is an essential component of the proposed Cathedral Hill Campus, which would provide an important public benefit to the City. The Cathedral Hill MOB will provide critical medical services such as clinical and physician office space to support the seismically compliant Cathedral Hill Hospital. It is essential for the Cathedral Hill MOB to be located within close proximity to the Cathedral Hill Hospital in order for both buildings to function cohesively as a medical center. The location of the proposed Cathedral Hill MOB (and Cathedral Hill Hospital) was selected for several important factors including, geologic stability, location at a major transportation and transit hub, central location, adequate size, site availability, and its location to CPMC's existing patient and physician distribution. To meet the requirements of SB 1953 and its successor legislation to provide a seismically compliant hospital, and provide a modern MOB to support such a hospital, it would not be possible to retain the existing contributory buildings on the proposed site. Moreover, the EIR analysis confirmed that no historic buildings would be demolished, altered, or otherwise impacted as the result of construction of the Cathedral Hill Hospital and Cathedral Hill MOB.

Demolition of contributory buildings are allowed at the transit nexus of Van Ness Avenue and Geary Street to accommodate a medical center, as long as any replacement structure or structures are designed to contribute to the character of the street and be in harmony with the more significant landmark quality buildings in the vicinity. For the reasons that follow below, and as further detailed in the analysis regarding Objectives 5 and 6 above, the design of the Cathedral Hill MOB would contribute to the character of the street and be in harmony with the more significant landmark quality buildings in the vicinity.

The proposed Cathedral Hill MOB has been designed to provide a visual transition between the larger scale buildings encouraged along Van Ness Avenue consistent with the permitted 130 ft. height limit, and numerous older, lower and smaller scale buildings in the neighborhood. The existing architectural forms of punched windows, and belt and cornice lines of older buildings along Van Ness Avenue, have

been incorporated into the design of the Cathedral Hill MOB. The Van Ness Area Plan identifies a number of buildings on the east side of Van Ness as architecturally significant, including the adjacent Concordia Club at 1142 Van Ness Ave, the adjacent Pierce Arrow Building at 1000 Geary (now a homeless shelter), the Opal Hotel at 1050 Van Ness Ave, the AMC Theater building at 1000 Van Ness Avenue, and 1300 Van Ness Ave.

The Cathedral Hill MOB building massing is designed to be consistent with the pattern of development at the Van Ness Avenue street wall, including the adjacent architecturally significant Concordia Club. The Cathedral Hill MOB would also step down along Geary Street in an effort to complement the lower-rise buildings along Polk Street, including the Pierce Arrow Building.

3. **General Plan Priority Policies.** The Project is generally consistent with the eight General Plan priority policies set forth in Planning Code Section 101.1 in that:

A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The development of the new Cathedral Hill Campus will reinforce the vitality of existing neighborhood-serving retail uses by increasing the number of people in the area during hours of operation, which, for the Cathedral Hill Hospital, will be twenty-four hours a day every day. The Cathedral Hill MOB also will bring employees, patients and visitors into the neighborhood who will support neighborhood-serving retail uses.

There are many vacant retail and commercial spaces in the immediate vicinity of the Cathedral Hill Campus. It is anticipated that the additional people brought into the area when the Cathedral Hill Hospital and Cathedral Hill MOB are operational will provide support for new and existing neighborhood-serving retail and commercial businesses. Support by CPMC personnel for nearby retail businesses is shown at the California Campus, where CPMC personnel support Laurel Village, at the Pacific Campus, where CPMC personnel support the Upper Fillmore Street Neighborhood Commercial District, and at the St. Luke's Campus where nearby businesses along the Cesar Chavez, Valencia, and Mission Street corridors also benefit from CPMC personnel. The Cathedral Hill Hospital will be a significant presence on the Van Ness corridor. Other existing retail uses in the area will not only be preserved but, due to the increased number of people in the area who can be expected to patronize such retail uses, will be enhanced by the presence of the Cathedral Hill Campus, thereby increasing opportunities for resident employment in and ownership of such businesses, consistent with this Priority Policy.

Although the Cathedral Hill MOB would demolish existing retail uses, the MOB would include approximately 7,047 square feet of ground floor retail space, including a pharmacy. The new retail space in the Cathedral Hill Hospital and Cathedral Hill MOB would provide future opportunities for residential employment in, and possibly ownership of, neighborhood-serving retail businesses.

Subject to capacity and reasonable security considerations, parking in the Cathedral Hill Hospital and Cathedral Hill MOB would be available to meet retail demand for nearby residents and the general public in the evenings and on weekends.

At the St. Luke's Campus, development of the new St. Luke's Replacement Hospital and St. Luke's MOB will reinforce the vitality of existing neighborhood-serving retail uses by increasing the number of people in the area during business hours, which for the St. Luke's Replacement Hospital will be twenty-four hours a day every day. St. Luke's Replacement Hospital and St. Luke's MOB employees, patients and visitors will continue to support neighborhood-serving retail uses, as is currently the case. There are no neighborhood-serving retail uses that will be adversely affected as a result of the St. Luke's Replacement Hospital and St. Luke's MOB, since these buildings will be sited over a surface parking lot owned and operated by CPMC, a portion of the vacated San Jose Avenue, and over portions of the existing St. Luke's Campus.

The 873 s.f. of retail space currently located in the St. Luke's Hospital Tower will be demolished, but replaced and expanded by the construction of the St. Luke's MOB, which will contain 2,600 square feet of ground floor retail space. The new retail space in the St. Luke's MOB would provide opportunities for residential employment in, and possibly ownership of, neighborhood-serving retail businesses consistent with this Policy. The St. Luke's Campus will include enhanced hospital uses and new medical office uses that will reinforce the vitality of existing neighborhood-serving retail uses. Subject to capacity and reasonable security considerations, parking in the St. Luke's MOB will be available to meet retail demand for nearby residents and the general public in the evenings and on weekends.

At the Davies Campus, the proposed Neuroscience Institute would be built within an existing on-campus surface parking lot and, therefore, no neighborhood serving retail uses would be displaced or otherwise adversely affected by the proposal. The Neuroscience Institute building will include a small retail pharmacy store that would serve the entire Davies Campus as well as the general public, which will increase opportunities for residential employment in retail businesses. To the extent that construction and operation of the Neuroscience Institute would result in increased employment at the Davies Campus, surrounding retail opportunities (the majority of which are two blocks away at either Haight or Market Streets) could be enhanced.

The Project is consistent with this Priority Policy.

B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The Cathedral Hill Hospital would not displace any existing housing because there is no existing housing on the Cathedral Hill Hospital site. The Cathedral Hill Hospital would be consistent with the vision of the Van Ness Area Plan for "an attractive mixed use boulevard." The character of the neighborhood would be enhanced by the Cathedral Hill Hospital due to improved scale, massing, and detailing compared to the existing hotel and office building,

which do not provide for a strong street wall and do not comply with the design guidelines of the Van Ness Area Plan.

The site for the Cathedral Hill MOB contains 20 residential hotel units and 5 dwelling units, all of which would be demolished to accommodate the Cathedral Hill MOB. CPMC would comply with the City's established processes for demolition of residential hotel units (the Residential Hotel Ordinance, Administrative Code Chapter 83) and residential units (Planning Code Section 317). CPMC, through commitments in the Development Agreement, would contribute $2,684,800 in funding to replace the 20 residential hotel units, and an additional $1,453,820 in funding to replace the 5 dwelling units. CPMC will also facilitate the production of substantial new affordable housing units by contributing funding to the City's affordable housing fund, and create a down payment assistance loan program for its employees who earn up to 100% of area median income. Funds from the down payment assistance loans will be recaptured into the affordable housing fund, along with a portion of equity, when CPMC employees sell units bought with the loans. Additional funding is expected to flow into the affordable housing fund over time this way.

All tenants who lived in the existing units at the Cathedral Hill MOB site have been relocated to new housing, and the units are all currently vacant. The assistance provided by CPMC to these former tenants exceeded the legal requirements for relocation assistance.

The replacement of the existing hotel, office building and buildings east of Van Ness Avenue at the Cathedral Hill MOB site, by the new Cathedral Hill Hospital and Cathedral Hill MOB, will have a positive impact on the character of the neighborhood. The Cathedral Hill Hospital and Cathedral Hill MOB are designed to be integrated into the existing development in the area. The streetscape plan will improve pedestrian safety and further integrate the Cathedral Hill Hospital and Cathedral Hill MOB into the neighborhood. The cultural and economic diversity of the neighborhood will be protected and enhanced by the presence of the Cathedral Hill Campus, which will provide increased medical access near one of the City's most dense and most medically underserved communities, and will not be adversely impacted by the demolition of a limited number of existing residential units.

The St. Luke's Replacement Hospital and St. Luke's MOB will not displace any existing housing because there is no existing housing on the St. Luke's Campus. Revitalization of the St. Luke's Campus to maintain and enhance essential health care and medical services will aid in preserving the diversity of the neighborhood.

The replacement of the existing Hospital Tower by the St. Luke's Replacement Hospital and the construction of the new St. Luke's MOB will have a positive impact on the character of the St. Luke's Campus and on the surrounding neighborhood. The St. Luke's Replacement Hospital and St. Luke's MOB are designed to be integrated into both the campus and the surrounding development in the area, both commercial and residential. The height of the new buildings will step down in order to be compatible with the heights of the adjacent residential structures located to the south and west of the Campus.

The public pedestrian plaza and the other St. Luke's Campus streetscape improvements and landscaping will improve pedestrian comfort and safety and further integrate the St. Luke's Campus into the neighborhood. The location of the plaza between the St. Luke's MOB and St. Luke's Replacement Hospital, and the relationships of the spaces within those buildings, will provide "eyes on the street" and will increase connectivity between the communities to the south and north of the St. Luke's Campus.

At the Davies Campus, the construction of the Neuroscience Institute building and the associated streetscape and campus improvements would not adversely affect any existing housing or neighborhood character, as discussed throughout the Urban Design Element consistency findings.

The proposed Neuroscience Institute building and related landscaping and streetscaping plans are appropriate for the surrounding neighborhood. The pedestrian experience is what gives Noe Street its unique character. The sidewalks and landscaping around the Neuroscience Institute have been designed for a heightened pedestrian experience that considers both patients and neighborhood residents, and helps visually connect the two. Among other streetscape improvements, the width of the sidewalk area along the west side of Noe Street is proposed to be increased and landscaped, consistent with other sections of Noe Street.

The design of the Neuroscience Institute has been conceived as a transitional building from the institutional buildings found on the Davies Campus to the residential fabric surrounding the campus. The use of translucent and clear glass along the exterior of the building would allow for sunlight to permeate the interior. The structural elements of the exterior (the pattern of translucent and clear glass, which is set at regular intervals, is repeated every 10 feet) would break the façade into a scale similar to the bays on Noe Street, but in a distinctly contemporary style.

To further enhance the neighborhood character, the location and siting of the Neuroscience Institute was placed near the Davies Campus property line, allowing a pedestrian corridor on the ground floor level to extend along the exterior of the Neuroscience Institute, which will be visually engaging while activating the street. This area will be well lit and will have wall space available for the placement of art that can be enjoyed by the community.

The Project is consistent with this Priority Policy.

C) The City's supply of affordable housing will be preserved and enhanced:

CPMC will contribute $62 million through commitments in the Development Agreement toward affordable housing to replace the 20 residential hotel and five dwelling units that would be demolished at the Cathedral Hill MOB site, fund the production of new affordable rental units, and create a downpayment assistance program for low and moderate income CPMC employees seeking to purchase a home in San Francisco. As part of the $62 million commitment, CPMC will create a $29 million down payment assistance loan program for its employees who earn up to 100% of area median income. Funds from the down payment

assistance loans will be recaptured into the affordable housing fund, along with a portion of equity, when CPMC employees sell units bought with the loans. An estimated $35 million($29 million + $6 million in property value appreciation) is expected to flow into the affordable housing fund over time this way, which will help to increase the City's supply of affordable housing and stabilize long-term housing funding.

Neither the St. Luke's nor Davies Campuses currently include any housing, thus the Project would not adversely affect the City's supply of affordable housing.

The Project is consistent with this Priority Policy.

D) The commuter traffic will not impede Muni transit service or overburden our streets or neighborhood parking:

The Cathedral Hill Campus location, building design and streetscape plan will complement and support the operation of Muni service in the vicinity of the campus.

Planning transportation access to a medical center campus is different from planning access to other types of land uses, because a hospital does not have as sharp a peak transportation demand on a daily basis during the work week, as would a typical office building. Hospitals operate 24 hours a day, seven days a week, and a significant number of hospital employees work on shifts. There are generally three eight-hour shifts per day. Therefore, traffic demand for a hospital use is more dispersed than for an office use. While medical office employees would follow typical a.m. and p.m. peaking patterns, patients at medical office buildings such as the Cathedral Hill MOB, St. Luke's MOB, and Davies Neurosciences Institute building would result in more dispersed travel demand throughout the day, because patient visits are scheduled at various times during the day. Therefore traffic generation for the Cathedral Hill Campus will be dispersed during the day. These factors will serve to reduce commuter traffic at the Cathedral Hill Campus.

The site for the Cathedral Hill Campus is at a major public transit hub. Transit service at this site is expected to be substantially improved in the future with implementation of both the proposed Geary and Van Ness Bus Rapid Transit (BRT) projects. As part of the Development Agreement, CPMC has committed to $5 million in funding for the proposed Van Ness and Geary Bus Rapid Transit projects; $10.5 million Transit Fee to MTA to help meet new demands on the transit system associated with the new medical facilities; a surcharge on parking of $0.50 off-peak and $0.75 peak for each entry and exit to provide additional funding of $500,000 per year for 10 years to MTA; and $400,000 in funding to MTA for studies for improvements to bicycle facilities around and between the proposed new CPMC facilities.

Neighborhood parking would not be overburdened because the Cathedral Hill Campus would include adequate parking at the Cathedral Hill Hospital, where 513 off-street parking spaces are proposed, and at the Cathedral Hill MOB, where 542 off-street parking spaces are proposed. The underground garages in these buildings would include car-share and secure bicycle parking facilities. The garage facilities in the Cathedral Hill Hospital and Cathedral Hill MOB

would be connected by a pedestrian tunnel under Van Ness Avenue. The Project Sponsor has worked closely with the Department to develop the appropriate balance both to ensure adequate parking that is Code-complying, and that the City's "transit first" goals are met.

Commuter traffic associated with the St. Luke's Replacement Hospital and St. Luke's MOB are not expected to impede Muni transit service, overburden City streets, or adversely affect neighborhood parking. The siting of the St. Luke's Replacement Hospital and St. Luke's MOB, the MOB garage entrance and exit on Valencia Street, the public plaza and the other St. Luke's Campus landscaping, will complement and support the operation of Muni service in the vicinity of the St. Luke's Campus.

The St. Luke's MOB would include an underground parking garage with approximately 220 off-street parking spaces. The proposed access to the St. Luke's MOB garage will be on a non-residentially developed street to minimize impact to residential traffic. The Project Sponsor has developed an appropriate balance of parking both to ensure adequate parking and that the City's "transit first" goals are met.

The Davies Neuroscience Institute building and the associated campus and streetscape improvements would not significantly affect automobile traffic congestion or parking problems throughout the neighborhood. The site is well served by transit, including the N-Judah Muni light rail, which a significant number of employees and visitors use to arrive at the campus, and the N-Judah and other transit lines with stops near the Davies Campus have been shown to have sufficient capacity to accommodate expected ridership from the proposed Neuroscience Institute during the peak periods. The surrounding neighborhood has residential parking permit restrictions, and the Davies Campus provides bicycle parking and shower facilities for bicyclists in order to encourage modes of transportation other than vehicular.

CPMC's existing system-wide Transportation Demand Management (TDM) program will be augmented to support this priority Policy across all campuses. CPMC's TDM program includes incentives for transit use, off-site parking for employees and a shuttle system coordinated with off-site parking and transit locations, further reducing commuter traffic to the CPMC campuses.

The Project is consistent with this Priority Policy.

E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The Cathedral Hill Hospital would not include any general commercial office development and would not displace or otherwise adversely impact the City's industrial or service sectors. Although the Cathedral Hill Hospital would remove approximately 14,780 square feet of existing retail space, it would include approximately 3,100 square feet of new retail space.

The Cathedral Hill MOB will include medical offices, but would not include any general commercial office development. The Cathedral Hill MOB would not displace any industrial uses, although it would be located on the former sites of an adult video store at 1020 Geary Street, a bakery/café at 1100 Van Ness Avenue, a restaurant at 1100 Van Ness Avenue, two bar/lounges at 1030 and 1054-1060 Geary Street, and a car repair shop at 1062 Geary Street. All of these former commercial uses at the Cathedral Hill MOB site are now vacant. with the Cathedral Hill MOB would include approximately 7,047 square feet of ground floor retail, which would be available to the service sector for local-serving retail uses.

At the St. Luke's Campus, the St. Luke's Replacement Hospital and St. Luke's MOB would not include any general commercial office development and would not displace or otherwise adversely affect the City's industrial or service sectors. Although the existing St. Luke's Hospital Tower that would be demolished includes 873 s.f. of retail space, the St. Luke's MOB that will be constructed in its place will include more than three times as much retail space (approximately 2,600 square feet), which would be available to the service sector for local-serving retail uses.

At the Davies Campus, there would be no commercial office development, and the new Neuroscience Institute building would be constructed over a portion of an existing surface parking lot. The Neuroscience Institute would not displace or otherwise adversely affect the City's industrial or service sectors. The Neuroscience Institute building will include a small retail pharmacy store, which will increase opportunities for service-sector employment.

CPMC is the second largest private employer in San Francisco and is critically important to the economic health of San Francisco. The Project will maintain CPMC's important role as a major employer and major provider of essential health care services. Almost half of CPMC employees are San Francisco residents. During the construction period, the Near-Term Projects would provide needed employment for San Francisco's industrial and service sectors, which is especially important during the current recession. As a major employer, operations of the CPMC campuses will rely upon and benefit other economic sectors, including the service sector and, to a lesser extent, the industrial sector.

Through the commitments in the Development Agreement, CPMC will provide substantial construction and operational phase jobs and programs for local businesses and residents, including unemployed and economically disadvantaged residents. CPMC's commitments under the Development Agreement include the following:

- *CPMC will make good faith efforts to achieve 30% local hire measured by construction trade hours for the Near-Term Projects overall for each contractor, and by each trade.*
- *For new entry-level administrative and engineering positions and internships, CPMC will achieve 50% local hire.*
- *Half of all new apprentice positions will be filled with graduates from the CityBuild Academy; OEWD/CityBuild, contractors and unions will work together to maximize opportunities for local residents for remaining 50%.*

- *CPMC will create and administer a structured program to advance apprentices from CityBuild Academy to journey-level status in their trade by the end of the project.*
- *CPMC will hire at least 40 permanent entry-level hires annually for 5 years; targeting residents of the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods.*
- *CPMC will provide $2 million for community workforce services, which will provide grants to CBOs through OEWD for recruitment, training, job retention services.*

The Project is consistent with this Priority Policy.

F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Cathedral Hill Hospital and St. Luke's Replacement Hospital together comprise the most significant private proposal currently in development in San Francisco that has a primary goal of earthquake preparedness. The importance of earthquake preparedness is obvious. According to the United States Geological Survey, the overall probability of a magnitude 6.7 or stronger earthquake in the Greater Bay Area in the next 30 years is 63%, or about 2 out of 3. The purpose of building these hospitals is to comply with the stringent seismic requirements of Senate Bill 1953 and its successor legislation. The Project, including the Cathedral Hill Hospital and St. Luke's Replacement Hospital, will achieve significantly greater preparedness for earthquakes and other disasters for the entire City.

Senate Bill 1953 and its successor legislation requires that CPMC's hospitals at the California, Pacific, and St. Luke's Campuses either be retrofitted or rebuilt, or the acute care services provided there be relocated to new, compliant facilities that will remain operational after a strong earthquake. This new seismic standard is much stricter than "life safety" standards, which are generally intended to prevent collapse. The deadline for relocating to a new facility is January 1, 2013, under SB 1953, unless extended by SB 90 (potentially out to 2020) or successor legislation. If this deadline is not met, the acute care facilities at the Pacific, California, and St. Luke's Campuses are threatened with de-licensure (closure).

It is not feasible to retrofit or rebuild acute care facilities on the St. Luke's, California, or Pacific Campuses due to the service disruptions that would result. Taking any of these campuses out of operation, even temporarily, would result in an unacceptable impact to health care delivery in San Francisco. At St. Luke's Campus, the Blue Ribbon Panel concluded that building the St. Luke's Replacement Hospital is the best solution for the St. Luke's Campus, which would enable the continued operation of the existing Hospital Tower during the construction of the St. Luke's Replacement Hospital. The services currently offered at the acute care hospitals on the Pacific and California Campuses would be relocated to the new Cathedral Hill Hospital.

The Cathedral Hill MOB, St. Luke's MOB, and Neuroscience Institute would also comply with current seismic codes for medical office building construction. The physicians and other resources available at medical office buildings in close proximity to the hospitals at the

Cathedral Hill, St. Luke's, and Davies Campuses will be an important component of CPMC's ability to respond to a seismic event.

The Project is essential to the City's overall plan to provide safe and accessible facilities and available personnel in the event of an earthquake or other major disaster. The Cathedral Hill Hospital, St. Luke's Replacement Hospital and the recently completed seismic retrofit of the Davies Hospital North Tower together will result in about half of the City's inpatient health care being provided in facilities that are not only fit to withstand a major earthquake, but can be expected to remain operational thereafter. The Emergency Departments at these facilities will also be available to meet the community's immediate needs following such a disaster.

The Project is consistent with and substantially furthers this Priority Policy.

G) That landmark and historic buildings will be preserved:

The EIR analysis confirms that no landmark or historic buildings will be demolished, altered, or otherwise directly impacted from construction of the Cathedral Hill Hospital, Cathedral Hill MOB, St. Luke's Replacement Hospital, St. Luke's MOB, or Davies Campus Neuroscience Institute building. The discussion above regarding the Van Ness Area Plan objectives describes how the CHMOB building will be designed to be compatible with the more significant landmark buildings in the area.

The Project is consistent with this Priority Policy.

H) Parks and open space and their access to sunlight and vistas will be protected from development:

The Cathedral Hill Hospital and Cathedral Hill MOB sites do not include and are not within the immediate vicinity of any existing parks or public open space, and the results of the Section 295 Shadow Studies for these buildings confirmed that there would be no new shadow cast on any existing park or public open space.

The St. Luke's Replacement Hospital and St. Luke's MOB sites do not include and are not within the immediate vicinity of any existing parks or public open space, and the results of the Section 295 Shadow Studies for these buildings confirmed that there would be no new shadow cast on any existing park or public open space.

The proposed Neuroscience Institute building at the Davies Campus would cast some shadow on Duboce Park for very short periods during the winter months, according to the FEIR. However, this increase would represent a .0003% increase in shadow-hours for the park, which is an insignificant increase. Moreover, the shadow would not shade the playground or basketball court, and thus, would not affect the recreational use of the park.

None of the proposed Project activities have been identified in the EIR as casting significant, unavoidable shadows.

The Project is consistent with this Priority Policy.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on Thursday, April 26, 2012.

Linda D. Avery
Commission Secretary

AYES: Fong, Antonini, Borden, Miguel

NAYS: Moore, Sugaya

ABSENT: Wu

ADOPTED: April 26, 2012

SAN FRANCISCO
PLANNING DEPARTMENT

Planning Commission Resolution No. 18602

Development Agreement

HEARING DATE: APRIL 26, 2012

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Date:	April 12, 2012
Case No.:	2005.0555E; 2012.0403W
Initiated by:	Geoffrey Nelson, CPMC 633 Folsom Street, 5th Floor San Francisco, CA 94107 (415) 600-7206 NelsonGK@Sutterhealth.org
Staff Contact:	Elizabeth Watty, Planner Elizabeth.Watty@sfgov.org, 415-558-6620
Reviewed By:	Kelly Amdur, Director Citywide Planning Kelley.amdur@sfgov.org , 415-558-6351
90-Day Deadline:	July 9, 2012
Recommendation:	**Recommend Approval**

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND SUTTER WEST BAY HOSPITALS DBA CALIFORNIA PACIFIC MEDICAL CENTER, FOR CERTAIN REAL PROPERTY ASSOCIATED WITH THE CALIFORNIA PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN LOCATED AT VARIOUS LOCATIONS IN THE CITY AND COUNTY OF SAN FRANCISCO AND GENERALLY REFERRED TO AS THE ST. LUKE'S CAMPUS, CATHEDRAL HILL CAMPUS, DAVIES CAMPUS, PACIFIC CAMPUS AND CALIFORNIA CAMPUS; MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDINGS OF CONFORMITY WITH THE CITY'S GENERAL PLAN AND WITH THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1(B).

The Planning Commission (hereinafter "Commission") finds as follows:

1. California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.
2. Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth certain procedures for the processing and approval of development agreements in the City and County of San Francisco (the "City").
3. Sutter West Bay Hospitals, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("CPMC"), is the owner of certain real

property associated with the CPMC Long Range Development Plan ("LRDP") located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill Campus, Davies Campus, Pacific Campus and California Campus (the "Project Sites").

4. CPMC's proposed LRDP describes an integrated, modern system of health care with medical facilities that would comply with State of California hospital seismic safety laws under a city-wide system of care. The LRDP proposes three state-of-the-art acute care hospitals, increasing the number of San Francisco's earthquake safe hospital beds, creating 1,500 construction jobs (anticipating approximately $2.5 billion in total development costs), retaining and growing over 6,200 existing CPMC jobs and improving health care access for San Franciscans.

5. CPMC's 2008 Institutional Master Plan describes CPMC's LRDP. Following the San Francisco Planning Commission and the Public Health Commission hearings on the Institutional Master Plan, the Planning Commission on November 19, 2009 accepted the IMP, and in November 2011, the IMP was updated, all in compliance with San Francisco Planning Code Section 304.5 (as so updated, the "IMP").

6. On March 30, 2012, CPMC filed an application with the City's Planning Department for approval of a development agreement relating to the Project Sites (the "Development Agreement") under Chapter 56. Developer also filed applications with the Department for certain activities described in Exhibit B to the Development Agreement (together with the Development Agreement, the "Project"). The Project includes the "Near Term Projects," which generally include the following: (i) on the St. Luke's Campus, a new replacement hospital, renovation and reuse of the 1957 Building, demolition of the existing hospital tower, construction of a new medical office building, and construction of an entry plaza, courtyard and public pedestrian pathway; (ii) on the new Cathedral Hill Campus, a new hospital and medical office building and the renovation and reuse of an existing office building as a full medical office use; and (iii) on the Davies Campus, a new Neuroscience Institute building. The Project also proposes that a portion of the San Jose Avenue right-of-way between Cesar Chavez Street and 27th Street will be vacated by the City and transferred to CPMC for incorporation into the St. Luke's Campus, and that a pedestrian tunnel will be constructed beneath Van Ness Avenue connecting the eastern portion of Cathedral Hill Hospital to the western portion of the Cathedral Hill MOB.

7. CPMC also proposes certain Long-Term Projects (as also described in Exhibit B to the Development Agreement), which are subject to additional review and approvals and generally include the following: (i) on the Davies Campus, a new medical office building; and (ii) on the Pacific Campus, an ambulatory care center addition including administrative and medical office uses and underground and above-ground parking facilities.

8. The Office of Economic and Workforce Development ("OEWD"), in consultation with the Planning Director, has negotiated a proposed development agreement for the Project Site, a copy of which is attached as Exhibit A (the "Development Agreement").

9. On April 10, 2012, the Mayor introduced to the Board of Supervisors an ordinance adopting the Development Agreement.

10. Concurrently with this Resolution, the Planning Commission is taking a number of actions in furtherance of the Project, as generally described in Exhibit I to the Development Agreement.

11. The Project would enable CPMC to continue to provide high-quality patient care using ground-breaking technology in seismically safe, state-of-the-art acute care hospitals, increasing the number of highest rated earthquake safe hospital beds, retaining and increasing emergency room capacity in San Francisco, and providing critical resources for San Francisco's disaster preparedness. In addition to the significant benefits which the City will realize due to CPMC's proposed Project, the City has determined that as a result of the development of the Project in accordance with the Development Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Some of the major additional public benefits that would arise with implementation of the Project include: rebuilding St. Luke's Hospital at a cost of approximately $250 million; a workforce development program that includes a first source hiring program for construction and operation activities, a local business enterprise hiring agreement and a workforce training payment of $2 million; a community healthcare program which includes commitments for St. Luke's operation and a substantial health care services program for the poor and underserved; a housing program providing over $62 million to replacement units, affordable housing and down payment assistance, plus an additional estimated $35 million for affordable housing from repayment of DALP loans and housing appreciation, and transportation and public improvement funding, all as more particularly described in the Development Agreement. The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project Sites.

12. The Planning Department analyzed the Project (Case Nos. 2004.0603, 2005.0555, 2009.0885, 2009.0886, 2012.0403), including the Development Agreement and other actions related to the Project, in an Environmental Impact Report published on July 21, 2010 ("DEIR"). On April 26, 2012, by Motion No. 18588, the Commission made findings and certified the DEIR, together with the responses to the comments on the DEIR, as a Final Environmental Impact Report ("FEIR") in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., ("CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000 et seq.) and Chapter 31 of the San Francisco Administrative Code (Chapter 31). The Commission has reviewed the FEIR and adopts and incorporates by reference as though fully set forth herein the findings, including the statement of overriding considerations, pursuant to CEQA, adopted by the Commission in Motion No. 18589.

13. Also on April 26, 2012, by Motion No. 18589, the Planning Commission adopted findings, including a statement of overriding considerations and a mitigation monitoring and reporting program, pursuant to CEQA. Such findings are incorporated herein by reference.

14. The Commission hereby finds, for the reasons set for in Motion No. 18592, that the Development Agreement and related approval actions are, on balance, consistent with the General Plan including any area plans, and are consistent with the Planning Code Priority Policies of Planning Code Section 101.1(b).

15. The Director accepted the application for filing after it was deemed complete; published notice of acceptance in an official newspaper; and has made the application publicly available under Administrative Code Section 56.4(c).

16. The Director issued a Director's Report on the Development Agreement on April 6, 2012, at least 20 days prior to the hearing as required by Administrative Code Section 56.10(a).

17. The Director has scheduled and the Commission has held a public hearing as required by Administrative Code Section 56.4(c). The Planning Department gave notice as required by Planning Code Section 306.3 and mailed such notice on April 6, 2012, which is at least 10 days before the hearing to local public agencies as required by Administrative Code Section 56.8(b). The Planning Department also gave advance agenda notice of the hearing on the Development Agreement on April 13, 2012 as required by Administrative Code Section 56.8(b).

18. The Planning Department file on this matter was available for public review at least 20 days before the first public hearing on the development agreement as required by Administrative Code Section 56.10(b). The file continues to be available for review at the Planning Department at 1650 Mission Street, 4th floor, San Francisco.

IT IS HEREBY RESOLVED, that the Commission approves the Development Agreement, in substantially the form attached hereto as Exhibit A, and recommends that the Board of Supervisors adopt an Ordinance approving the Development Agreement; and, be it

FURTHER RESOLVED, That the Commission agrees that if the Board of Supervisors proposes any amendment to the Development Agreement that benefits the City and does not alter the City's General Plan, the Planning Code, or the applicable zoning maps affecting the Project Sites, then such amendments shall not be deemed a "material modification" to the Development Agreement under Administrative Code Section 56.14, and any such amendment to the Development Agreement may be approved by the Board of Supervisors without referring the proposed amendment back to the Commission; and, be it

FURTHER RESOLVED, that pursuant to Administrative Code Section 56.20(b), the Developer shall pay the City an amount equal to all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for the Planning Department and the City Attorneys' Office, as invoiced by the Planning Director.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on April 26, 2012.

Linda D. Avery
Commission Secretary

AYES: Fong, Antonini, Borden, Miguel

NAYS: Moore and Sugaya

ABSENT: Wu

ADOPTED: April 26, 2012

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 12-064

WHEREAS, In order to comply with State seismic safety requirements and improve healthcare facilities, Sutter West Bay Hospitals (dba California Pacific Medical Center (CPMC)) is planning to upgrade and/or construct new facilities at its existing St. Luke's and Davies Campuses and its proposed Cathedral Hill Campus; and,

WHEREAS, These facilities would have significant transportation impacts, especially the new Cathedral Hill Campus, which will provide 1,055 parking spaces, and is located at Geary Boulevard and Van Ness Avenue, two major transit corridors; and,

WHEREAS, The Cathedral Hill Campus in particular would afford a high level of transit accessibility to patients, employees and visitors consistent with the City's Transit First Policy and SFMTA's Strategic Plan; and,

WHEREAS, To help address resulting traffic, transit delay and ridership impacts, the City and SFMTA have negotiated a proposed Development Agreement with CPMC that contains payments from CPMC to the SFMTA as follows: (a) $5 million for the proposed Van Ness and Geary Bus Rapid Transit projects; (b) a one-time $10.5 million Transit Fee ; (c) a $0.50 off-peak and $0.75 peak entry and exit fee per vehicle at CPMC Cathedral Hill parking garages; and (d) $400,000 to fund studies for improvements to bicycle facilities around and between the proposed new CPMC facilities; and,

WHEREAS, Over the lifetime of the proposed 10-year Development Agreement, CPMC would pay the SFMTA approximately $20.9 million in current dollars.

WHEREAS, the SFMTA has identified a need for traffic and parking modifications adjacent to CPMC facilities as follows:

A. ESTABLISH – TOW-AWAY, NO STOPPING ANYTIME Cesar Chavez Street, south side, from Guerrero Street to 148 feet easterly; Cesar Chavez Street, south side, from Valencia Street to 167 feet westerly and Valencia Street, west side, from Cesar Chavez Street to 19 feet southerly
B. ESTABLISH – SIDEWALK WIDENING Cesar Chavez Street, south side, from Guerrero Street to 148 feet easterly and from Valencia Street to 167 feet westerly (sidewalk to be widened by 6 feet)
C. ESTABLISH – TOW-AWAY NO STOPPING ANY TIME Post Street, south side, from Franklin Street to approximately 230 feet easterly
D. ESTABLISH – SIDEWALK WIDENING Post Street, south side, from Franklin Street to approximately 230 feet easterly (widens sidewalk by 7 feet)
E. ESTABLISH – SHUTTLE BUS ZONE Post Street, south side, from approximately 2 feet to 140 feet west of Van Ness Avenue

F. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME Van Ness Avenue, west side, from Post Street to Geary Boulevard
G. ESTABLISH – SIDEWALK WIDENING Van Ness Avenue, west side, from Post Street to Geary Boulevard (widens sidewalk by 6 feet)
H. ESTABLISH – SIDEWALK WIDENING Geary Boulevard, north side, from Van Ness Avenue to approximately 147 feet westerly (widens sidewalk by 7 feet)
I. ESTABLISH – TOW-AWAY NO STOPPING ANY TIME Geary Boulevard, north side between Van Ness Avenue and Franklin Street
J. ESTABLISH – BUS ZONE Geary Boulevard, north side, from Van Ness Avenue to approximately 147 feet westerly
K. RESCIND – BUS ZONE Geary Boulevard, north side, from Franklin Street to 84 feet easterly
L. ESTABLISH – RIGHT TURN ONLY LANE Geary Boulevard, from Franklin Street to approximately 120 feet easterly
M. ESTABLISH – SIDEWALK NARROWING Geary Street, north side, from approximately 141 feet to 275 feet east of Van Ness Avenue (reduces sidewalk from 16.9 feet to 12 feet at the bus bulb out)
N. RESCIND – BUS ZONE Geary Street, north side, from approximately 141 feet to 275 feet east of Van Ness Avenue
O. ESTABLISH – TOW-AWAY NO STOPPING ANY TIME Geary Street, north side from Van Ness Avenue to 275 feet easterly
P. ESTABLISH – TOW-AWAY NO STOPPING ANY TIME Cedar Street, north side, between Van Ness Avenue and Polk Street
Q. ESTABLISH – SIDEWALK WIDENING Cedar Street, north side, between Van Ness Avenue and Polk Street (widens sidewalk by 0.8 feet)
R. ESTABLISH – TOW-AWAY NO STOPPING ANY TIME Cedar Street, south side, between Van Ness Avenue and Polk Street
S. ESTABLISH – SIDEWALK WIDENING Cedar Street, south side, between Van Ness Avenue and Polk Street (widens sidewalk by 0.5 feet)
T. RESCIND – ONE-WAY Cedar Street, between Van Ness Avenue and the garage entrance to the Medical Office Building, approximately 290 feet west of Polk Street
U. ESTABLISH – TWO-WAY Cedar Street, between Van Ness Avenue and the garage entrance to the Medical Office Building, approximately 290 feet west of Polk Street
V. ESTABLISH – SIDEWALK WIDENING Extend bulb-out at the southeast corner of Van Ness Avenue and Cedar Street to align with sidewalk on Van Ness Avenue and Cedar Street

WHEREAS, At its hearing on April 26, 2012, the Planning Commission certified by Motion No. 18588 a Final Environmental Impact Report ("FEIR") for the LRDP pursuant to the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), the CEQA Guidelines (14 Cal. Code Reg. Sections 15000 et seq.) and Chapter 31 of the Administrative Code, and in Motion 18589, adopted findings, including a statement of overriding consideration and a mitigation monitoring and reporting program; and,

WHEREAS, The Planning Commission determined by Motion that the Project, and the various actions being taken by the City and the Agency to approve and implement the Project, are consistent with the General Plan and with the Eight Priority Policies of City Planning Code Section 101.1, and made findings in connection therewith (the "General Plan Consistency Determination"), a copy of which is on file with the Planning Department and is incorporated into this Resolution by reference; and,

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That in accordance with the actions contemplated herein, the SFMTA Board has reviewed the FEIR, and adopts and incorporates by reference as though fully set forth herein the findings, including the statement of overriding considerations and mitigation monitoring and reporting program, adopted by the Planning Commission on April 26, 2012, pursuant to CEQA, in Motion No. 18589; and, be it

FURTHER RESOLVED, That the SFMTA Board of Directors does hereby consent to the proposed 10-year Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals substantially in the form and on the terms on file with this Board and authorizes the Director of Transportation to execute the Consent to the Development Agreement on behalf of this Board; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors, upon recommendation of the Director of Transportation, does hereby approve the traffic changes.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 1, 2012.

R. Boomer

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

MEMORANDUM OF UNDERSTANDING # _____
Proposed CPMC Project

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") dated as of May _____ 2011, is made by and between the San Francisco Office of Economic and Workforce Development ("OEWD"), the San Francisco Planning Department (the "Planning Department"), and the San Francisco Department of Public Works ("DPW") (collectively, the "City Agencies" and each a "City Agency"), and Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("CPMC") in connection with CPMC's proposed long range development plan described in Recital A below.

RECITALS

This MOU is made with regard to the following facts, intentions and understandings:

A. CPMC currently operates four medical campuses in San Francisco. In 2005 CPMC filed an environmental evaluation application (Case No. 2005.0555E) for its long-term development program to meet the State 's seismic safety requirements for hospitals and to create a framework for the Long-Range Development Plan (LRDP) reflected in the CPMC Institution Master Plan ("IMP") accepted by the Planning Commission on November 19, 2009. The IMP includes the existing Pacific Campus, California Campus, Davies Campus and St. Luke's Campus and the proposed Cathedral Hill Campus, all of which are more particularly described in the CPMC LRDP Draft EIR ("DEIR") published July 21, 2010. The proposed project, as described in the DEIR, is referred to herein as the "CPMC Project."

B. The final scope of the CPMC Project is not fixed at this stage in the public process. Accordingly, the parties understand and agree that the CPMC Project may be refined and modified through the community and stakeholder review, environmental review and planning processes.

C. CPMC intends to apply for the approval of a development agreement (the "Development Agreement") for the CPMC Project, which will require, at a minimum, review by the City's Planning Commission and the approval of the Board of Supervisors. The parties anticipate that the Development Agreement will include descriptions of certain public benefits to be provided by the CPMC Project in exchange for development rights to construct the CPMC Project.

E. CPMC has not yet filed an application for a Development Agreement, as contemplated by San Francisco Administrative Code Chapter 56, because OEWD and the Planning Department are working in conjunction with CPMC to determine the appropriate scope of the Development Agreement application, including the initial package of proposed public benefits, and to estimate the reimbursable costs to be incurred by the City Agencies in connection with the drafting of the Development Agreement and

the associated tasks. Therefore, this MOU is intended to provide a temporary mechanism by which CPMC will reimburse the City Agencies for staff time and materials expended on any component of the Development Agreement prior to CPMC filing an application for the Development Agreement under Chapter 56 of the Administrative Code.

F. OEWD and the Planning Department agree that the success of this effort is predicated on careful coordination between the traditional real estate economic analysis and negotiation functions of OEWD and the traditional land use and urban design functions of the Planning Department. Accordingly, each agency will appoint a Project Manager to oversee their respective roles in the Development Agreement formation process.

G. It is also understood by the parties that OEWD, in cooperation with the Planning Department, may propose a series of procedural amendments to the existing Development Agreement ordinance as set forth in Chapter 56 of the Administrative Code, including potential changes to the Development Agreement application and processing fee approval provisions. Nevertheless, it is the intention of the parties to this MOU to conform to the existing application and approval procedure set forth in Chapter 56 unless and until such time that the Development Agreement process is modified through legislative action.

AGREEMENT

OEWD and the Planning Department, as applicable, and CPMC agree to the following:

1. Negotiations. OEWD, working in close consultation with the Planning Director, shall act as the lead representative of the City Agencies in negotiating the substance of the Development Agreement with CPMC, and shall consult with the City Agencies in negotiations with CPMC, each of which shall contribute personnel as selected by its director.

2. Drafting. OEWD, in conjunction with the Office of the City Attorney and CPMC, shall draft the Development Agreement, consulting with the Planning Director and City Agencies with respect to the items that affect each City Agency. CPMC's consultants and architects shall prepare any required exhibits and appendices in consultation with OEWD.

3. Planning Department. The Planning Director shall appoint a Planning project manager who shall coordinate all Planning Department efforts related to the preparation of the contents of the Development Agreement and required exhibits and appendices. The Planning Department Division of Major Environmental Analysis ("MEA") shall prepare the Environmental Impact Report for the CPMC Project, and may consult from time to time with the City Agencies regarding the environmental review. The costs of staff time and materials for all of the Planning Department's tasks associated with the CPMC Project shall not be reimbursed by this MOU or the Development Agreement fee described below, but shall instead be reimbursed by the application fees paid by CPMC to the Planning Department.

4. Reimbursement of City Costs Prior to Application. Prior to the submittal and approval of the CPMC Development Agreement application as described in Section 5 below, CPMC shall reimburse the City Agencies for the actual costs of the City Agencies in preparing, adopting or negotiating the Development Agreement and any proposed ancillary documents or legislation as determined on a time and materials basis, excluding costs associated with activities covered by other standard City fees for applications, permits or approvals (collectively, the "DA Costs"). DA Costs shall include, without limitation, the (a) fees and expenses of the City Attorney's Office staff and other City staff at the rates set forth in the attached Exhibit A or the standard hourly rates for such City staff member charged to outside developers from time to time, (b) fees and expenses of outside counsel and third-party consultants, advisors and professionals (including, but not limited to, real estate appraisers) reasonably incurred by City Agencies, and (c) costs reasonably incurred by City Agencies related to public outreach and information. OEWD shall be responsible for coordinating the billing as described in this section. OEWD shall provide CPMC on a quarterly basis (or such alternative period as agreed to by the parties) a reasonably detailed statement showing costs incurred by OEWD, the City Agencies and the City Attorney's Office, including the hourly rates for each City staff member at that time, the total number of hours spent by each City staff member during the invoice period, any additional costs incurred by the City Agencies and a brief non-confidential description of the work completed. OEWD will use reasonable efforts to provide an accounting of time and costs from the City Attorney's Office and each City Agency in each invoice; provided, however, if OEWD is unable to provide an accounting from one or more of such parties OEWD may send an invoice to CPMC that does not include the charges of such party or parties without losing any right to include such charges in a future or supplemental invoice. CPMC shall pay the invoiced amount from OEWD within 60 calendar days of receipt of the invoice. If CPMC in good faith disputes any portion of an invoice, then within 60 calendar days of receipt of the invoice CPMC shall provide written notice of the amount disputed and the reason for the dispute, and the parties shall use good faith efforts to reconcile the dispute as soon as practicable. CPMC shall have no right to withhold the disputed amount. If any dispute is not resolved within 90 days of CPMC's notice to City of the dispute, CPMC may pursue all remedies at law or in equity to recover the disputed amount. Notwithstanding anything in this MOU to the contrary, if CPMC fails to fully pay any invoice within 60 calendar days of receipt, City shall have the right to suspend additional work on all tasks until such sum is paid. CPMC's obligation to pay the DA Costs shall survive the termination of this MOU. CPMC shall have no obligation to reimburse City for any DA Cost that is not invoiced to CPMC within forty-eight (48) months from the date the DA Cost was incurred.

5. Reimbursement after Application. Unless San Francisco Administrative Code Chapter 56 is amended to eliminate the requirement of a Development Agreement application and payment of a Development Agreement fee (as described in Chapter 56), as soon as sufficient information and analysis is completed to permit CPMC to submit a detailed Development Agreement application, CPMC will submit such application and the parties will negotiate in good faith to determine the appropriate Development Agreement fee for prospective work to be completed (which shall not include work

already completed and reimbursed by CPMC under this MOU). The Development Agreement fee shall be paid in quarterly installments over the total period required for preparation of a final Development Agreement and companion agreements and ordinances or as otherwise agreed to by the parties, and shall be subject to any necessary governmental approvals. Upon receipt of any installment, the Development Agreement fee will be held by City in an account known as the CPMC DA Fund. OEWD shall be responsible for coordinating billing by the City Agencies. The billing process and procedure set forth in Section 4 above shall continue to apply, subject to any revisions as may be agreed to by the parties or required as part of a governmental approval of the Development Agreement fee; provided, however, amounts due to City shall be deducted from the CPMC DA Fund. In the event that City's costs and expenses exceed the amounts in the CPMC DA Fund, then, notwithstanding anything in this MOU to the contrary, City shall have the right to suspend additional work under the Development Agreement application until the parties reach agreement on any additional payments to be made by CPMC to the CPMC DA Fund.

6. City Limitation. All tasks under this MOU are subject to the City's agreement on a fee or reimbursement mechanism for the proposed work. Nothing in this MOU shall obligate the City Agencies to expend funds or other resources except for funds that have been expressly agreed upon herein, nor shall anything in this MOU be construed as a limitation on any party's authority to contribute staff, funds or other resources to the processing, review and consideration of the CPMC Project.

7. No Liability; Termination. The parties are entering into this MOU in order to cooperate in preparing, negotiating, and seeking the adoption of the Development Agreement and any proposed ancillary documents or legislation with respect to the CPMC Project as described above. The parties understand and agree that the City would not be willing to enter into this MOU if it could result in any liability or cost to the City. Accordingly, in the event that CPMC believes that the City has violated any of the terms of this MOU, CPMC's sole remedy shall be to terminate this MOU. Furthermore, any party shall have the right to terminate this MOU at any time without cost or liability by providing notice of termination to the other parties. If this MOU is terminated CPMC shall be responsible for DA Costs incurred by any of the City Agencies prior to receipt of CPMC's termination notification. If this MOU is terminated following the establishment of the CPMC DA Fund, any unexpended balance in the CPMC DA Fund shall be returned to CPMC after payment of the final DA Costs.

8. City Discretion. CPMC and the City Agencies acknowledge and agree that under this MOU, the City Agencies are not committing themselves or agreeing to approve any land use entitlements or undertake any other acts or activities relating to the subsequent independent exercise of discretion by the City Agencies, the Planning Commission, the Board of Supervisors, the Mayor, or any other agency, commission or department of the City, and that the CPMC Project documents and approvals are subject to the prior approval of City Agencies, the Planning Commission, Board of Supervisors, and the Mayor, each in their sole and absolute discretion. Notwithstanding anything to the contrary herein, the City Agencies, and each of their respective boards, commissions,

departments, and officials, each shall exercise their sole discretion over all matters relating to the CPMC Project 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, their respective authority to take any action under its jurisdiction consistent with the foregoing.

9. Environmental Review. The final project ultimately proposed by the City Agencies and CPMC shall be subject to a process of thorough public review and input and all necessary and appropriate approvals; that process must include environmental review under CEQA before a City Agency, Commission, Board or any other City decision-maker may consider approving the project; and the project will require discretionary approvals by a number of government bodies after public hearings and environmental review. Nothing in this MOU commits, or shall be deemed to commit, the City or the City Agencies to approve or implement any project, and they may not do so until environmental review of the project as required under CEQA has been completed. Accordingly, all references to "CPMC Project" in this MOU shall mean the proposed project subject to future environmental review and consideration by the City. The City and any other public agency with jurisdiction over any part of the project shall have the absolute discretion before approving the project to: (i) make such modifications to the project as may be necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii) require the implementation of specific measures to mitigate any specific impacts of the project; (iv) balance the benefits of the project against any significant environmental impacts before taking final action if such significant impacts cannot otherwise be avoided; and (v) determine whether or not to proceed with the project.

10. Notices. Unless otherwise indicated elsewhere in this MOU, all written communications sent by the parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To OEWD:
Ken Rich
Office of Economic and Workplace Development
City Hall, Room 448
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Phone: 415.554-5194
Email: ken.rich@sfgov.org

To Planning Department:
John Rahaim
Director
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103
Phone: 415.558.6411
Email: john.rahaim@sfgov.org

To CPMC:

Grant Davies
Executive Vice President
California Pacific Medical Center
2351 Clay Street, 7th Floor
San Francisco, CA 94115
Phone: (415) 600-3790
Fax:
Email: daviesg@sutterhealth.org

with a copy to:

Michael A. Duncheon, Esq.
VP & Regional Counsel, West Bay Region
Sutter Health
633 Folsom Street, Seventh Floor
San Francisco, CA 94107
Phone: (415) 600-6796
Fax: (415) 600-6749
Email: dunchem@sutterhealth.org

Any notice of default must be sent by registered mail.

11. California Political Reform Act. The parties acknowledge that payments pursuant to this MOU from CPMC to OEWD are payments to the City, not to any individual employee or officer of the City, and that the payments therefore are not "income" to any City employee or officer under the California Political Reform Act, California Government Code Section 81000, *et seq.*

12. Notification of Limitations on Contributions. CPMC 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 whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a

candidate for the office held by such individual, or (3) a committee controlled by such individual, 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. CPMC 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.

13. No Joint Liability. Nothing in this MOU shall be construed as giving a party the right or ability to bind other parties and nothing in this MOU shall be construed to create any joint liability with regard to, or as a result of, the activities undertaken by any of the parties, their employees, officers and/or agents. All employees, officers and/or agents of a party shall remain employees, officers and/or agents of that party and shall be subject to the laws, procedures, rules and policies governing that party's employees, officers and/or agents.

14. Sunshine. CPMC understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code Chapter 67) and the State Public Records Law (California Government Code Section 6250 *et seq.*) apply to this MOU and any and all records and materials submitted to the City in connection with this MOU.

15. Miscellaneous. (a) This MOU may be modified only in writing and by mutual consent of all parties. (b) This MOU shall become effective when signed by the authorized representatives of OEWD and the Planning Department and CPMC. It shall remain in effect for each party until terminated in writing by such party, or for the City Agencies collectively, by OEWD. (c) There are no intended third party beneficiaries of this MOU. The parties acknowledge and agree that this MOU is entered into for their benefit and not for the benefit of any other party. (d) This MOU shall be governed by the applicable laws of California. (e) This MOU contains all of the representations and the entire agreement between the parties with respect to the subject matter of this MOU. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this MOU.

IN WITNESS WHEREOF, The parties have executed this Agreement on the date set forth herein.

SUTTER WEST BAY HOSPITALS,
a California nonprofit public benefit corporation,
doing business as California Pacific Medical Center

By _____
Grant Davies
Executive Vice President

SAN FRANCISCO OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

By _____
Jennifer Matz, Director

SAN FRANCISCO PLANNING DEPARTMENT

By _____
John Rahaim, Director

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By _____
Deputy City Attorney

EXHIBIT A
Rates

City Agency	Title or Position	Rate per hour
City Attorney	Deputy City Attorney	$ 350.00
City Attorney	Legal Assistant	$ 165.00
OEWD	Project Manager	$ 87.16
OEWD	Project Manager	$97.91
OEWD	Project Assistant	$ 27.50
DPW	Bureau Manager	$ 215.00
DPW	Senior Engineer	$ 180.16
DPW	Administrative Engineer	$ 167.51
DPW	Engineer	$ 155.62
DPW	Associate Engineer	$ 134.46
DPW	Assistant Engineer	$ 115.50
DPW	Junior Engineer	$ 102.28
DPW	Engineering Associate II	$ 110.59
DPW	Engineering Associate I	$ 95.54
DPW	Engineering Assistant	$ 86.19
DPW	Landscape Architect	$ 155.62
DPW	Landscape Architectural Associate 2	$ 134.46
DPW	Landscape Architectural Associate 1	$ 115.50
DPW	Sr. Architect	$ 182.18
DPW	Architect	$ 157.37
DPW	Arch. Admin	$ 138.60
DPW	Arch. Associate II	$ 135.97
DPW	Arch. Associate I	$ 116.79
DPW	Arch. Assistant II	$ 101.87
DPW	Arch. Assistant I	$ 92.39
DPW	Environmental Planning Manager III	$ 161.83
DPW	Project Manager I	$ 143.91
DPW	Project Manager II	$ 166.54
DPW	Project Manager III	$ 202.12
DPW	Secretary II	$ 72.87
DPW	Senior Clerk Typist	$ 66.09

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Rates

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DPW	Engineering Associate II	$ 110.59
DPW	Engineering Associate I	$ 95.54
DPW	Engineering Assistant	$ 86.19
DPW	Landscape Architect	$ 155.62
DPW	Landscape Architectural Associate 2	$ 134.46
DPW	Landscape Architectural Associate 1	$ 115.50
DPW	Sr. Architect	$ 182.18
DPW	Architect	$ 157.37
DPW	Arch. Admin	$ 138.60
DPW	Arch. Associate II	$ 135.97
DPW	Arch. Associate I	$ 116.79
DPW	Arch. Assistant II	$ 101.87
DPW	Arch. Assistant I	$ 92.39
DPW	Environmental Planning Manager III	$ 161.83
DPW	Project Manager I	$ 143.91
DPW	Project Manager II	$ 166.54
DPW	Project Manager III	$ 202.12
DPW	Secretary II	$ 72.87
DPW	Senior Clerk Typist	$ 66.09

CPMC Development Agreement
Revision from 4.5.12 Draft

#	Section	Change
Development Agreement		
1.	**§ 8.2.1**	**Annual Review and Compliance.** Summary of changes: • Extend period for CPMC's annual compliance report to allow for completion of financial reporting and auditing. Revise as follows: "Required Information from CPMC. Within one hundred fifty ~~twenty~~ (~~120~~150) days following the end of each fiscal year (as defined in Exhibit F), CPMC shall provide a report to the Planning Director showing compliance,..."
Exhibit C - Scheduling & Phasing		
2.		**Scheduling and Phasing Plan.** Summary of changes: • Change the date for the City's completion of the San Jose Avenue project from 12.31.12 to 2.28.13. Revise as follows: "On or before the later of ~~December 31, 2012~~ February 28, 2013 or four (4) months from commencement of San Jose Avenue CPMC Project"
Exhibit F - Healthcare		
3.	**§ 1.a**	Summary of changes: • Non-substantive document clean-up. Revise second sentence: per ~~diem~~calendar day basis.
4.	**§ 2.d**	**Medi-Cal Managed Care.** Summary of changes: • Include current level of performance to facilitate future monitoring of Medi-Cal Managed Care obligation. Revise as follows: "Of the total New Enrollees, CPMC shall accept approximately 1,500 new eligible Seniors and Persons with Disabilities ("SPDs") over the number of SPDs assigned to the medical group that designates CPMC's California, Pacific, or Davies Campus as their primary hospital as of January 1, 2012 (i.e. 1,268)."
5.	**§ 2.e**	Correct typographical error last sentence: "~~CMPC's~~CPMC's"
6.	**§ 2.f**	**Medi-Cal Managed Care.**

		Summary of changes: • Clarify method for calculating costs to CPMC for providing services for Medi-Cal Managed Care obligation. Revise third sentence and beginning of fourth sentence to read as follows: "For purposes of this Section, CPMC's "**costs**" shall mean the reasonable cost of providing the applicable services as determined in accordance with ~~Medicare/Medi-Cal~~reasonable cost finding principles consistently applied. These costs may in part be derived by…."
7.	**§ 2.f**	**Medi-Cal Managed Care.** Summary of changes: • CPMC is generally prohibited by State law from directly securing physician services. The Innovation Fund may be used to procure physician services for Medi-Cal patients. Delete last sentence: "~~Any additional costs incurred by CPMC in securing physician services for New Enrollees may be included in the Baseline Commitment, but shall not count toward determination of the Maximum Medi-Cal Shortfall.~~"
8.	**§ 3.e**	**Innovation Fund.** Summary of Changes: • Clarify goals of the Health Care Innovation Fund to specify funding for the treatment of mental health patients. Revise as follows: "Provide infrastructure support for community-based health, human service and behavioral health service providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including ~~community-based behavioral health care service providers~~ providers of community-based alternatives to inpatient psychiatric care that allows patients to receive services in the most appropriate and least restrictive setting, (approximately 25%)"
9.	**§ 7.a**	**St. Luke's Hospital.** Summary of changes: • Non-substantive document clean-up. Revise second paragraph as follows: "If City initiates Arbitration, CPMC shall deliver to the City and Arbitrator, prior to the conclusion of the Arbitration and issuance of the award, a report from ~~a~~its independent third party auditor (~~such as~~ Ernst and Young or successor auditor hired by CPMC as set forth in Section

		14.b below) stating its opinion that the information upon which the Operating Margin calculations are based in connection with a determination of an Operating Margin Failure is fairly stated in all material respects and is in conformance with applicable GAAP."
10.	**§ 12**	**Health Service System.** Summary of Changes: • Language cleanup • Clarify that the "Annual Rate Increase" limitation applies to City employees and/or retirees that are "in-network" with CPMC. • Clarify that CPMC will charge the customary rates (higher than in-network) for City employees and/or retirees that are "out-of-network" with CPMC. • Clarify that any amounts charged by CPMC over these limits will be refunded to the City through the Health Service Trust Fund. Revise as follows: a. The City's Health Service System ("**HSS**") contracts with HMO, PPO and Administrative Service Organizations (the "**City Insurers**") to provide health care coverage to its members. The City Insurers currently include Blue Shield, Kaiser and United Health Care. b. To promote the goal of ensuring that the cost of building the Cathedral Hill Hospital and the St. Luke's Hospital shall not be disproportionately passed on to the City, CPMC and City have agreed to the following rate increase limitations: c. For the period from January 1, 2013 to December 31, 2015, the negotiated fee for service increase for CPMC shall not exceed 5% annually as compared to the prior fiscal year fee for service rates, and for the following seven (7) years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5% (the "**Annual Rate Increase**"). Fee for service rates include those services paid on a percentage of charge, case rate, or per diem rate and encompass all rates charged to the City Insurers on an encounter or per service basis. Such annual fee for service increase computation shall be on an aggregated blended basis computed on the previous year rates and services and shall not include incentives payments or shared savings payments earned by the facility. This means that, for the same claims from the previous year (priced on the current year's rates as compared to the prior year), the increase in the amount shall not exceed the Annual Rate Increase. The City Insurers may change periodically and the application of this limit is contingent on CPMC having a contract to participate in the

product/network for HSS members with the applicable City Insurer, and this limit shall apply to all services provided to all HSS members enrolled in the product and covered by the applicable City Insurer even if the HSS member selected a primary care physician and /or physician group or independent provider association (IPA) that is not typically associated with CPMC. This Section does not apply to any City Insurer that does not have a contract with CPMC to participate in a HSS member/product or network.

d. CPMC will comply with all applicable laws and regulations that govern hospitals as to how patients must be treated when they present to CPMC for emergency services. This includes those patients with or without insurance coverage. CPMC shall also comply with all applicable provisions of Health and Safety Code Sections 1262.8, 1317.1, 1371.4 and 1386. In addition, if CPMC becomes a non-participating provider of any City Insurer's product/network for HSS Members after July 1, 2012, CPMC will work in good faith with the applicable City Insurer to establish a repatriation process for the applicable HSS members that are identified by the treating physician to be "stable for transfer" and for which the City Insurer has located a receiving physician to accept the HSS member at an appropriate facility that participates in the applicable City Insurer's product/network . The repatriation process may include but is not limited to establishing direct telephone access between the parties twenty-four hours a day/seven days a week, assistance coordinating transport and transfers to the other facilities once identified as being available to receive the HSS member and delivering patient notifications from the City Insurer to HSS Members when appropriate.

e. In the event that the City and any City Insurer elects to offer a product/network that does not include CPMC as a participating provider for HSS members in the future, and CPMC continues to have a contract with the applicable City Insurer, CPMC will agree to extend to the City Insurer the same discount that CPMC (or an Affiliate of CPMC) extends to that City Insurer for all products/networks in which CPMC (or an Affiliate of CPMC) does not participate (the **Non-Participating Provider Rate**"). The Non-participating Provider Rate will be applied to all services rendered to all the HSS members enrolled in the product/network, including but not limited to emergency services. This Section is not part of the Annual Rate Increase commitment above; however, the City may request an Independent Actuary to verify with the City Insurer that the rate was applied correctly as set forth in the applicable contract between the City Insurer and CPMC and per Section 12.g below.

f. CPMC will provide reasonable access to City representatives to be included in related wellness and quality initiatives that impact HSS Members that participate in these types of programs administered or

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supported by CPMC ("ACO **Program**").

g. CPMC and the City shall, if requested by the City within one year of the end of the applicable fiscal year, jointly engage an independent third party actuary acceptable to all parties (the "**Independent Actuary**"), with not less than ten (10) years experience, to verify for the prior fiscal year, whether CPMC has satisfied the Annual Rate Increase commitment outlined in Section 12.e above and verify the Non-Participating Provider Rates were applied as agreed in Section 12.e above; provided however, the applicable City Insurer has also consented to such actuarial review and CPMC has a contract with that City Insurer to participate in at least one HSS member product/network. The Independent Actuary shall be a "disinterested person", which is someone who is not now, and within the preceding five (5) years has not been, employed or hired by, or had a business relationship with, either Party or any entity owned or controlled in whole or in part by either Party. CPMC and the City shall hire the Independent Actuary using a standard contracting form approved by all the Parties, with confidentiality required of all of the Parties for all information reviewed by the Independent Actuary. CPMC and the City shall pay one-half of the cost of the contract, although CPMC shall reimburse the City for its share as a City Cost under the Agreement (and the Independent Actuary shall not be informed of CPMC's reimbursement obligation). Because the City is not paying for the Independent Actuary, the City's contracting provisions in the San Francisco Administrative Code will not apply. The Independent Actuary shall determine and inform the Parties, in a writing delivered jointly to CPMC the City, whether CPMC has satisfied the Annual Rate Increase commitment and the Non-Participating Provider Rate commitment. The determination of the Independent Actuary shall be final and binding on the Parties. If CPMC exceeded the permitted Annual Rate Increase or the Non-Participating Provider Rate commitment, then CPMC shall pay to the Health Service Trust Fund within thirty (30) days of receipt of the Independent Actuary's determination, for its non-performance and as liquidated damages, the amount of the difference between the amount paid by the applicable City Insurer to CPMC and the amount payable to CPMC by the applicable City Insurer consistent with those commitments as determined by the Independent Actuary. The information reviewed by the Independent Actuary shall remain confidential.

h. While CPMC must limit Annual Rate Increases as described above, nothing in this Exhibit shall limit a City Insurers' right or willingness to accept or reject any proposed Annual Rate Increase, or to negotiate a lower Annual Rate Increase, in any fiscal year. The Annual Rate Increases set forth above represent the maximum increases that CPMC may charge to City Insurers for which CPMC participates in the HSS member's product. CPMC and the City agree to work together in good faith to keep health costs as low as possible, and the City expects that the

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		increases ~~be less than~~ the maximum levels identified above.
11.	**§ 14.a**	**Reporting.** Summary of Changes: • Extend period for CPMC's annual compliance report to allow for completion of financial reporting and auditing. Revise first sentence as follows: "As part of each annual Compliance Statement (and after the Term within one hundred ~~twenty~~fifty (~~120~~150) days following the end of each fiscal year…."
12.	**§ 14.b**	**Reporting.** Summary of changes: • Non-substantive document clean-up. Revise as follows: "If the Baseline Commitment exceeds forty percent (40%) of EBITDA as set forth in Section 1.a of this Exhibit F, then the CPMC EBITDA calculations submitted in accordance with this Agreement shall be accompanied by a ~~compliance~~ report from CPMC's auditor, Ernst and Young (or successor independent auditors) stating that the financial information so submitted is fairly stated and consistent in all material respects with GAAP and the audited financials of Sutter Health."
13.	**Att. A**	**Innovation Fund Agreement.** To come.
Exhibit G – Housing		
14.	**§ 4.d.i**	**Downpayment Loan Assistance Program** Summary of changes: • Bring CPMC DALP program into alignment with the City's existing DALP program by requiring a minimum downpayment of 5% from the homeowner. Delete last sentence. "~~(4) the minimum downpayment requirement from Borrower's own funds is increased from 2.5% to 5% of the total purchase price of the applicable property.~~"
15.	**§ 4.d.iii**	**Downpayment Loan Assistance Program** Summary of changes: • Clarify maximum loan amount available for borrowers is either $200,000

		or 45% of the purchase price. Revise as follows: "The maximum CPMC DALP loan amount to each Borrower is the lesser of Two Hundred Thousand Dollars ($200,000.00) ~~and the limit on the loan amount to 20~~or 45% of the purchase price ~~shall not apply~~."
Exhibit H – Public Improvements		
17.	**6.a**	**Safe Passage Program.** Summary of changes: • Remove Tenderloin Housing Clinic as grant recipient. Grants will be administered by OEWD through a competitive bidding processes; • Change description of Safe Passage Program; Revise as follows: "The Safe Passage Grant shall be used by City to develop and implement a pilot "**Safe Passage Program**", creating a designated safe walking route for children through the Tenderloin connecting schools with organizations that provide after school programming and services to children and their families, ~~to the Powell Street and/or Civic Center BART/Muni station at Market Street,~~ which pilot program is approved by or on behalf of the Director of Department of Public Works on behalf of City. The City, acting through OEWD, shall enter into a grant agreement with a ~~Tenderloin Housing Clinic, or another~~ nonprofit organization selected by OEWD, to create and implement the Safe Passage Program."
Exhibit J – List of Approvals		
18.	**II.A**	**St. Luke's Campus. Planning Commission.** Summary of changes: • Non-substantive document clean-up. Revise as follows "~~2. Recommending Approval of Amendment to Planning Code Text (Resolution No. ___, adopted ___, 2012).~~ 2. ~~3.~~ Recommending Approval of Amendment to the Planning Code Text and Amendments to Planning Code Height and Bulk District Map and Planning Code Special Use District ("SUD") Map (Resolution No. ___, adopted ___, 2012)."
19.	**III.A**	**Cathedral Hill Campus. Planning Commission.** Summary of changes:

		• Non-substantive document clean-up. Revise as follows. "1. Recommending Approval of Amendment to General Plan Van Ness Area Plan Text ~~(Resolution No. ___, adopted ___, 2012).~~ ~~2.~~ and Recommending Approval of Amendment to General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Resolution No. ___, adopted ___, 2012). ~~3. Recommending Approval of Amendment to Planning Code Text (Resolution No. ___, adopted ___, 2012).~~ 2. ~~4.~~ Recommending Approval of Amendment of Planning Code Text and Amendment to Planning Code Height and Bulk District Map and Planning Code SUD Map (Resolution No. ___, adopted ___, 2012).
20.	**III.A**	**Cathedral Hill Campus. Planning Commission.** Summary of changes: • Non-substantive document clean-up. Revise as follows: 5. ~~7.~~ Approval of General Plan Referral for Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements~~, Cedar Street Conversion West of Cathedral Hill MOB Entrance from One Way to Two Way~~) and Sidewalk-Widening Legislation~~)~~. (Motion No.__, adopted ___, 2012.
Exhibit K – Transportation		
21.	**2.a**	**SFMTA Fee.** Summary of Changes: • Clarify that the parking entry and exit fee applies in instances where drivers have the cost of parking compensated. Revise as follows: "The SFMTA Fee shall not apply to deliveries and short term drop offs, turn arounds and others provided with a short courtesy entry and exit ~~or when parking taxes do not otherwise apply~~, but it shall apply to any free parking offered to CPMC employees, contractors or agents."

CPMC Development Agreement

Draft Dated 6/20/2012 marked to show changes from Draft dated 4/26/2012.

Development Agreement
Exhibit F (with Innovation Fund Grant Agreement added)
Exhibit G (with CPMC DALP Manual added)
Exhibit J (with Planning Commission actions inserted)
Exhibit K

DEVELOPMENT AGREEMENT RELATING TO THE CONSTRUCTION AND RECONSTRUCTION OF HEALTHCARE FACILITIES IN FURTHERANCE OF THE CALIFORNIA PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND SUTTER WEST BAY HOSPITALS

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") dated for reference purposes only as of this _____ day of _____, 2012, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "**City**"), acting by and through its Planning Department, and SUTTER WEST BAY HOSPITALS, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("**CPMC**"), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the San Francisco Administrative Code. The City and CPMC are also sometimes referred to individually as a "**Party**" and together as the "**Parties**". Capitalized terms not defined when introduced shall have the meanings given in Section 1 below.

RECITALS

This Agreement is made with reference to the following facts:

A. CPMC presently operates medical facilities in San Francisco. The four existing CPMC medical campuses are known as the St. Luke's Campus, the Davies Campus, the Pacific Campus, and the California Campus.

B. Through its operation of its medical facilities, CPMC provides substantial direct and indirect economic benefits to the City. It provides essential health services to people of all ages from diverse ethnic, cultural, geographic, educational and socioeconomic backgrounds. Approximately two-thirds of CPMC's patients ~~come from the City and County of~~live in San Francisco, and CPMC provides healthcare service in connection with approximately 30% of the hospitalizations in ~~the City and County of~~ San Francisco. CPMC is San Francisco's second largest non-public employer, and fourth largest employer overall, with over 6,000 employees.

C. CPMC must meet certain State seismic safety requirements for hospitals (the "Hospital Seismic Safety Laws", as defined in Section 1 below) in order to continue providing acute-care services in certain of its facilities.

D. CPMC has developed a plan to provide an integrated, modern system of healthcare with medical facilities that would comply with Hospital Seismic Safety Laws on five campuses, including a new campus on Van Ness Avenue known as the Cathedral Hill Campus. CPMC's proposed city-wide system of care would include three state-of-the-art acute care hospitals, increase the number of earthquake safe hospital beds in San Francisco, create 1,500 construction jobs, require expenditures of approximately $2.5 billion in total development costs (including construction costs), retain the over 6,000 existing CPMC jobs and improve healthcare access for San Franciscans.

13.5 Construction of Agreement ~~47~~46
13.6 Project Is a Private Undertaking; No Joint Venture or Partnership 47
13.7 Recordation 47
13.8 Obligations Not Dischargeable in Bankruptcy 47
13.9 Survival 47
13.10 Signature in Counterparts 47
13.11 Notices 47
13.12 Limitations on Actions 48
13.13 Severability ~~49~~48
13.14 MacBride Principles 49
13.15 Tropical Hardwood and Virgin Redwood 49
13.16 Sunshine 49

be obtained through application of existing City ordinances, regulations, and policies. Some of the major additional public benefits accruing to the City from the CPMC Project are:

- Rebuild St. Luke's Hospital as an 80 bed General Acute Care Hospital with emergency medical services at a cost of approximately $250 million;
- Implement a workforce development program that includes a first source hiring program for construction and applicable operational activities and a local business enterprise hiring agreement and a Workforce Training Payment of $2 million;
- Implement a Community Healthcare Program including the operation of the rebuilt St. Luke's Hospital and a broad array of contributions and commitments for healthcare services for the poor and underserved;
- Implement a Housing Program that provides substantial funding to replace residential and hotel units as well as over $62 million for affordable housing and down payment assistance funds;
- Implement a public improvement program including funding or providing certain Public Improvements and other Community Commitments; and
- Implement a Transportation Program including substantial funding contributions to the SFMTA.

J. The real property subject to this Agreement is the St. Luke's Campus, the Cathedral Hill Campus, the Davies Campus, the Pacific Campus and the California Campus, all as more particularly described on Exhibit A-1 through Exhibit A-5 (individually, a "**Project Site**" and collectively the "**Project Sites**"). CPMC is the beneficial owner of the Project Sites.

K. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in a way as to fully comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*; "**CEQA**"), the CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*), the Development Agreement Statute, Chapter 56, the Planning Code, the Enacting Ordinance and all other applicable Laws in effect as of the Effective Date. This Agreement does not limit the City's obligation to comply with applicable environmental Laws, including CEQA, before taking any discretionary action regarding the Project, or CPMC's obligation to comply with all applicable Laws in connection with the development of the Project.

L. The Final Environmental Impact Report ("**FEIR**") prepared for the Project and certified by the Planning Commission on ~~————————~~April 26, 2012 together with the CEQA findings adopted concurrently therewith (the "**CEQA Findings**"), comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The FEIR thoroughly analyzes the Project and Project alternatives, and the Mitigation Measures were designed to mitigate significant impacts to the extent they are susceptible to feasible mitigation. The information in

the FEIR and the CEQA Findings has been considered by the City in connection with approval of this Agreement.

M. On ~~_____~~April 26, 2012 the Planning Commission held a public hearing on this Agreement, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission made the CEQA Findings and adopted the Mitigation Measures, and determined that the Project and this Agreement are, as a whole and taken in their entirety, consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended, and the Planning Principles set forth in Section 101.1 of the Planning Code (together, the "**General Plan Consistency Findings**").

N. On _____, 2012 the Board, having received the Planning Commission's recommendations, held a public hearing on this Agreement pursuant to the Development Agreement Statute and Chapter 56. Following the public hearing, the Board made the CEQA Findings required by CEQA and approved this Agreement, incorporating by reference the General Plan Consistency Findings.

O. On _____, 2012, the Board adopted Ordinance No. _____, approving this Agreement, [Ordinance No. _____, **modifying Chapter 56,**] Ordinance Nos. _____ [**placeholder for zoning ordinance, general plan, street vacations, etc.**], and Ordinance No. _____ authorizing the Planning Director to execute this Agreement on behalf of the City (the "**Enacting Ordinance**"). The Enacting Ordinance took effect on _____, 2012.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

In addition to the definitions set forth in the above preamble paragraph, Recitals and elsewhere in this Agreement, the following definitions shall apply to this Agreement:

1.1 "**Administrative Code**" means the San Francisco Administrative Code.

1.2 "**Affiliate**" means an entity or person that directly or indirectly controls, is controlled by or is under common control with, a Party (or a managing partner or managing member of a Party, as the case may be). For purposes of the foregoing, "control" means the ownership of more than fifty percent (50%) of the equity interest in such entity, the right to dictate major decisions of the entity, or the right to appoint fifty percent (50%) or more of the managers or directors of such entity.

1.3 "**Agreement**" means this Development Agreement, the Exhibits which have been expressly incorporated herein and any amendments thereto.

1.4 "**Applicable Laws**" has the meaning set forth in Section 5.2.

1.5 "**Approvals**" means the City approvals, entitlements, and permits listed on Exhibit J.

1.6 "**Assignment and Assumption Agreement**" has the meaning set forth in Section 11.2.

1.7 "**Board of Supervisors**" means the Board of Supervisors of the City and County of San Francisco.

1.8 "**Cal-DPH**" means the California Department of Public Health.

1.9 "**California Campus**" means that certain real property more particularly described in Exhibit A-5, together with all buildings, structures, fixtures and other improvements located thereon.

1.10 "**Caltrans**" means the California State Department of Transportation.

1.11 "**Cathedral Hill Campus**" means that certain real property more particularly described in Exhibit A-2 (which includes the Cathedral Hill Hospital Site, the Cathedral Hill MOB Site and 1375 Sutter Street), together with all buildings, structures, fixtures and other improvements located thereon.

1.12 "**Cathedral Hill Hospital**" means the new Cathedral Hill Hospital, as more particularly described in Section 1 of Exhibit B-2.

1.13 "**Cathedral Hill Hospital Site**" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill Hospital Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.

1.14 "**Cathedral Hill MOB**" means the new Cathedral Hill Medical Office Building, as more particularly described in Section 3 of Exhibit B-2.

1.15 "**Cathedral Hill MOB Site**" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill MOB Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.

1.16 "**CEQA**" has the meaning set forth in Recital K.

1.17 "**CEQA Findings**" has the meaning set forth in Recital L.

1.18 "**CEQA Guidelines**" means Title 14 of the California Code of Regulations Section 15000 *et seq.*

1.19 "**Chapter 56**" has the meaning set forth in Recital H.

1.20 "**City**" means the City as defined in the opening paragraph of this Agreement. Unless the context or text specifically provides otherwise, references to the City

means the City acting by and through the Planning Director or, as necessary, the Planning Commission or the Board of Supervisors.

1.21 "**City Agency**" or "**City Agencies**" means the City departments, agencies, boards, commissions, and bureaus that execute or consent to this Agreement, or are controlled by persons or commissions that have executed or consented to this Agreement, that have subdivision or other permit, entitlement or approval authority or jurisdiction over development of the Project, or any improvement located on or off the Project Sites, including, without limitation, the City Administrator, Department of Public Health, Planning Department, DBI, MOH, OEWD, SFMTA, DPW, and SFFD, together with any successor City agency, department, board, or commission.

1.22 "**City Attorney's Office**" means the Office of the City Attorney of the City and County of San Francisco.

1.23 "**City Costs**" means the actual and reasonable costs incurred by a City Agency in preparing, adopting or amending this Agreement, in performing its obligations or defending its actions under this Agreement or otherwise contemplated by this Agreement, as determined on a time and materials basis, including reasonable attorneys' fees and costs but excluding work, hearings, costs or other activities contemplated or covered by Processing Fees; provided, however, City Costs shall not include any costs incurred by a City Agency in connection with a City Default or which are payable by the City under Section 9.6 when CPMC is the prevailing party.

1.24 "**City Parties**" has the meaning set forth in Section 4.9.

1.25 "**City-Wide**" means all real property within the territorial limits of the City and County of San Francisco, not including any property owned or controlled by the United States or by the State of California and therefore not subject to City regulation.

1.26 "**Commence Construction**" means, with respect to Cathedral Hill Hospital, the Cathedral Hill MOB, the Davies Neuroscience Institute building, the St. Luke's Hospital or the St. Luke's MOB, as applicable, groundbreaking in connection with the commencement of physical construction of the applicable building foundation, but specifically excluding the demolition of existing structures.

1.27 "**Commencement of Exterior Work for St. Luke's Hospital**" means the date on which the first of the exterior panels are set onto the structure for the St. Luke's Hospital.

1.28 "**Commencement of Exterior Work for Cathedral Hill Hospital**" means the date on which the first of the exterior panels or the curtain wall are attached to the structure for the Cathedral Hill Hospital.

1.29 "**Commencement of Foundation Work for St. Luke's Hospital**" means the date on which the drilling of the caissons at subgrade of the excavation commences for the St. Luke's Hospital.

the St. Luke's Hospital and the Cathedral Hill Hospital will be constructed generally in accordance with the Schedule and Phasing Plan. Development of the Long-Term Projects is not included as a part of this Agreement, provided any such development during the Term shall be subject to the provisions of Sections 4.5, 5.3 and 5.4.

3.2 Transfer of Former Street Property. In connection with the Project, the City shall vacate and abandon all public rights in the Former Street Property (other than temporary utility easements in favor of the San Jose Avenue Utility Operators, if needed), each in connection with the completion of San Jose Avenue CPMC Project and the San Jose Avenue City Project. The City shall transfer the Former Street Property to CPMC in accordance with the San Jose Avenue Transfer Agreement, subject to all of the terms and conditions set forth therein. If for any reason, other than a CPMC default, the City is unable or unwilling to transfer the Former Street Property to CPMC as and when required under the San Jose Transfer Agreement, CPMC may elect to terminate this Agreement following the meet and confer period in Section 9.2 and the notice and cure period in Section 9.3. CPMC shall commence the San Jose Avenue CPMC Project and will prosecute the San Jose Avenue CPMC Project diligently to completion generally in accordance with the Schedule and Phasing Plan. Upon payment of the Purchase Price under the San Jose Avenue Transfer Agreement, the City shall deliver such payment to MOH and CPMC shall receive a credit against the next Affordable Housing Payment to MOH under Exhibit G in an amount equal to the Purchase Price paid by CPMC to the City.

3.3 Completion of San Jose Avenue City Project. The failure to complete the San Jose Avenue City Project in accordance with the timing set forth in the Schedule and Phasing Plan may entitle CPMC to a period of Excusable Delay in connection with the Hospital Commitment as set forth in Section 10.6.2. Any abandonment of the San Jose Avenue City Project shall, following the meet and confer process in Section 9.2 and the notice and cure provisions in Section 9.3 (modified so as to give City ninety (90) days to commence to cure), be a City Default.

4. PUBLIC BENEFITS; CPMC OBLIGATIONS AND CONDITIONS TO CPMC's PERFORMANCE

4.1 Public Benefits Exceed Those Required by Existing Ordinances and Regulations. The Parties acknowledge and agree that the development of the Project in accordance with this Agreement provides a number of public benefits to the City beyond those achievable through existing Laws, as more particularly articulated in Recital I, including, but not limited to, the Hospital Commitment and the Community Commitments. The Hospital Commitment and the Community Commitments are collectively referred to as the "**Public Benefits**". The City acknowledges and agrees that a number of the Public Benefits would not be otherwise achievable without the express agreement of CPMC under this Agreement. CPMC acknowledges and agrees that, as a result of the benefits to CPMC under this Agreement, CPMC has received good and valuable consideration for its provision of the Public Benefits, and that the City would not be willing to enter into this Agreement without the Public Benefits. Furthermore, CPMC acknowledges and agrees that CPMC's obligation to perform and complete, and the City's right to enforce in accordance with Section 9, an applicable Public Benefit under this Agreement shall survive the expiration or termination of this Agreement as and to the extent

4.7.5 If CPMC in good faith disputes any portion of an invoice, then within sixty (60) days following receipt of the invoice CPMC shall provide notice of the amount disputed and the reason for the dispute, and the Parties shall use good faith efforts to reconcile the dispute as soon as practicable. CPMC shall have no right to withhold the disputed amount. If any dispute is not resolved within ninety (90) days following CPMC's notice to the City of the dispute, CPMC may pursue all remedies at law or in equity to recover the disputed amount.

4.8 Prevailing Wages. CPMC agrees that all persons performing labor in the construction of the Public Improvements shall be paid not less than the highest prevailing rate of wages for the labor so performed as provided under Section 6.22(E) of the Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California, and CPMC shall include this requirement in any contract entered into by CPMC for the construction of the Public Improvements. CPMC and its contractors shall submit payroll records for workers subject to this Section 4.8 on a timely basis into Elation's certified payroll reporting system (or any successor electronic program designated by CityBuild), thereby certifying the payroll records. Upon request, CPMC and its contractors will provide to CityBuild its workforce records relating to the Public Improvements work performed by or on behalf of CPMC.

4.9 Indemnification of City. CPMC shall indemnify, reimburse, and hold harmless the City and its officers, agents and employees (the "**City Parties**") from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims ("**Losses**") arising or resulting directly or indirectly from (i) any third party claim arising from a default by CPMC under this Agreement, (ii) CPMC's failure to comply with any Approval, Subsequent Approval or Non-City Approval, (iii) the failure of any improvements constructed pursuant to the Approvals or Subsequent Approvals to comply with any Federal or State Laws, the Existing Standards or any permitted Future Changes to Existing Standards, (iv) any accident, bodily injury, death, personal injury or loss of or damage to property occurring on a Project Site (or off-site, with regard to the Public Improvements) in connection with the construction by CPMC or its agents or contractors of any improvements pursuant to the Approvals, Subsequent Approvals or this Agreement, (v) a Third-Party Challenge instituted against the City or any of the City Parties, (vi) any dispute between CPMC, its contractors or subcontractors relating to the construction of any part of the Project, and (vii) any dispute between CPMC and any Transferee or any subsequent owner of any of the Project Sites relating to any assignment of this Agreement or the obligations that run with the land, or any dispute between CPMC and any Transferee or other person relating to which party is responsible for performing certain obligations under this Agreement, each regardless of the negligence of and regardless of whether liability without fault is imposed or sought to be imposed on the City or any of the City Parties, except to the extent that such indemnity is void or otherwise unenforceable under applicable Law, and except to the extent such Loss is the result of the negligence or willful misconduct of the City Parties. The foregoing indemnity shall include, without limitation, reasonable ~~fees of~~ attorneys~~, consultants'~~ fees and ~~experts and related~~ costs~~,~~ and the City's reasonable cost of investigating any claims against the City or the City Parties. All indemnifications set forth in this Agreement shall survive the expiration or termination of this Agreement, to the extent such indemnification obligation arose from an event occurring before the expiration or termination of this Agreement. To the extent the indemnifications relate to CPMC's obligations that survive the expiration or

City's rights and obligations under the Public Health and Safety Exception or Federal and State Law Exception. Nothing in this Agreement shall preclude the City from applying Future Changes to Existing Standards to the Project Sites for any development project not within the definition of the "Project" under this Agreement. In addition, nothing in this Agreement shall preclude CPMC from pursuing any challenge to the application of any Future Changes to Existing Standards to all or part of the Project ~~Site~~Sites.

5.3.4 The Parties acknowledge that, for certain parts of the Project, CPMC must submit a variety of applications for Subsequent Approvals before commencement of construction, including building permit applications, a residential hotel permit to convert, street improvement permits, and encroachment permits. CPMC shall be responsible for obtaining all Subsequent Approvals before commencement of construction to the extent required under applicable Law. Notwithstanding anything in this Agreement to the contrary, when considering any such application for a Subsequent Approval, the City shall apply the applicable provisions, requirements, rules, or regulations that are contained in the California Building Standards Code, as amended by the City, including requirements of the San Francisco Building Code, Public Works Code (which includes the Stormwater Management Ordinance), Subdivision Code, Mechanical Code, Electrical Code, Plumbing Code, Fire Code or other uniform construction codes.

5.3.5 CPMC shall have the right, from time to time and at any time, to file subdivision map applications (including phased final map applications) with respect to some or all of the Project Sites, to subdivide, reconfigure or merge the parcels comprising the Project Sites as may be necessary or desirable in order to develop a particular part of the Project. Nothing in this Agreement shall authorize CPMC to subdivide or use any of the Project Sites for purposes of sale, lease or financing in any manner that conflicts with the California Subdivision Map Act (California Government Code § 66410 *et seq.*), or with the Subdivision Code. Nothing in this Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps so long as such changes do not conflict with the provisions of this Agreement or with the Approvals as set forth in Section 5.3.1.

5.4 Fees and Exactions.

5.4.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 5.4, and the City shall not impose any new Processing Fees or Impact Fees and Exactions on the development of the Project or impose new conditions or requirements for the right to develop the Project (including required contributions of land, public amenities or services) except as set forth in this Agreement. The Parties acknowledge that the provisions contained in this Section 5.4 are intended to implement the intent of the Parties that CPMC have the right to develop the Project pursuant to specified and known criteria and rules, and that the City receive the benefits which will be conferred as a result of such development without abridging the right of the City to act in accordance with its powers, duties and obligations, except as specifically provided in this Agreement.

5.4.2 Near-Term Projects. No Impact Fees and Exactions shall apply to the Near-Term Projects (or components thereof) except for (i) the SFPUC Capacity Charges in

effect at the time of assessment, and (ii) street tree in-lieu fees (San Francisco Planning Code Section 428) in effect as of the Effective Date. For the purposes of this Section 5.4.2, any sums payable as part of the Public Benefits shall not be considered Impact Fees and Exactions. CPMC shall pay transit fees and charges for the Near-Term Projects as set forth in Exhibit K. Accordingly, the City acknowledges and agrees that Near-Term Projects (or components thereof) shall not be subject to the provisions of Planning Code Section 411.1 *et seq.* and any similar or successor ordinances requiring the payment of a fee related to any anticipated financial burden imposed on the San Francisco transportation system, including but not limited to the transportation sustainability fee under evaluation by the City and described generally in materials dated November 2011 and presented to the Planning Commission on January 26, 2012.

5.4.3 Long-Term Projects. Impact Fees and Exactions for the Long-Term Projects (or components thereof) shall be limited to those from time to time in effect, on a City-Wide basis, at the time that CPMC applies for or obtains, as applicable, a permit, authorization or approval in connection therewith. After the Effective Date, except as set forth below in this Section 5.4.3, no new categories of Impact Fees and Exactions (nor expansion of the application of same due to changes in exceptions or definitions of covered uses thereto) shall apply to the development of the Long-Term Projects. Any substitute Impact Fees and Exactions that replace the Impact Fees and Exactions in effect on the Effective Date shall apply to the Long-Term Projects, and shall not be considered new categories of Impact Fees and Exactions except to the extent that they expand the scope of the ~~Existing~~existing Impact Fees and Exactions. In other words, if the City amends Impact Fees and Exactions during the Term to both increase the rates and expand the scope of application (i.e., apply the Impact Fees and Exactions to a use that was not previously subject to that Impact Fees and Exactions), then the increase in rates (including the methodology for calculation of those rates) would apply to the Long-Term Projects but not the expanded scope. Accordingly, if the increase in scope is to impose a particular Impact Fee or Exaction to a medical office use where previously it did not apply to medical office uses, then that Impact Fee or Exaction would not be imposed on a medical office building that is built as part of a Long-Term Project under this Agreement. Notwithstanding anything to the contrary above, CPMC shall be responsible for the payment of the following fees and charges, if and to the extent applicable: (i) all Impact Fees and Exactions for future development on the California Campus, in effect at the time of assessment, (ii) the SFPUC Capacity Charges, in effect at the time of assessment, and (iii) the transit impact fees for a Long-Term Project (as set forth in Planning Code Section 411.1 *et seq.* or any similar or successor ordinances requiring the payment of a fee related to any anticipated financial burden imposed on the San Francisco transportation system), in effect at the time of assessment. The Public Benefits, as imposed on the Near-Term Projects and as described in this Agreement, do not apply to the Long-Term ~~Project~~Projects and the City shall not impose the Public Benefits on the Long-Term Projects in connection with any Subsequent Approval; provided the foregoing shall not limit the City's rights and obligations under Section 4.5.

5.4.4 Processing Fees. For three (3) years following the Effective Date, as extended by the number of days in any extension of the Term under Section 10.6.1, Processing Fees for the Near-Term Projects shall be limited to the Processing Fees in effect, on a City-Wide basis, as of the Effective Date (provided that to the extent Processing Fees are based on time and materials costs, such fees may be calculated based on the schedule for time and materials costs in effect on the date the work is performed by the City). Thereafter, Processing

shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 5.6.4, as applicable.

5.6.3 Changes to Development Agreement Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute. No amendment of or addition to the Development Agreement Statute which would affect the interpretation or enforceability of this Agreement or increase the obligations or diminish the development rights of CPMC hereunder, or increase the obligations or diminish the benefits to the City hereunder shall be applicable to this Agreement unless such amendment or addition is specifically required by Law or is mandated by a court of competent jurisdiction. If such amendment or change is permissive rather than mandatory, this Agreement shall not be affected.

5.6.4 Termination of Agreement. If any of the modifications, amendments or additions described in Sections 5.3.3, 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would materially and adversely affect the construction, development, use, operation or occupancy of the Near-Term Projects as currently contemplated by the Approvals, or any material portion thereof, such that the Near-Term Projects become economically infeasible (a "**Law Adverse to CPMC**"), then CPMC shall notify the City and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. If any of the modifications, amendments or additions described in Sections 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would materially and adversely affect or limit the Public Benefits (a "**Law Adverse to the City**"), then the City shall notify CPMC and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. Upon receipt of a notice under this Section 5.6.4, the Parties agree to meet and confer in good faith for a period of not less than ninety (90) days in an attempt to resolve the issue. If the Parties cannot resolve the issue in ninety (90) days or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in San Francisco for nonbinding mediation for a period of not less than thirty (30) days. If the Parties remain unable to resolve the issue following such mediation, then (i) CPMC shall have the right to terminate this Agreement following a Law Adverse to CPMC upon not less than thirty (30) days prior notice to the City, and (ii) the City shall have the right to terminate this Agreement following a Law Adverse to the City upon not less than thirty (30) days prior notice to CPMC; provided, notwithstanding any such termination, CPMC shall be required to complete the applicable Public Benefits as and to the extent set forth in Section 10.4.

5.7 No Action to Impede Approvals. Except and only as required under Section 5.6, the City shall take no action under this Agreement nor impose any condition on the Project that would conflict with this Agreement or the Approvals. An action taken or condition imposed shall be deemed to be in conflict with this Agreement or the Approvals if such actions or conditions result in the occurrence of one or more of the circumstances identified in Section 5.3 of this Agreement.

5.8 Criteria for Approving Subsequent Approvals. The City shall not disapprove applications for Subsequent Approvals based upon any item or element that is consistent with this Agreement and the Approvals, and shall consider all such applications in

actions taken pursuant to CEQA, CPMC may elect to terminate this Agreement. Upon any such termination (or, upon the entry of a judgment terminating this Agreement, if earlier), the City and CPMC shall jointly seek to have the Third-Party Challenge dismissed and CPMC shall have no obligation to reimburse City defense costs that are incurred after the dismissal.

7.4.4 The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project or the issuance of Subsequent Approvals unless the third party obtains a court order preventing the activity. During the pendency of a Third Party Challenge CPMC's obligations to provide the Community Commitments shall be tolled; provided, however, ~~all~~the Commitment Increments arising as of the Effective Date shall not be tolled notwithstanding such Third Party Challenge. For the purposes of the foregoing exclusions from the tolling of the Community Commitments, the Parties agree and acknowledge that the following Commitment Increments arise as of the Effective Date: (i) in Exhibit F, the New Medi-Cal Beneficiaries Commitment described in section 2, the first Innovation Fund payment of $3,500,000 described in section 3(b), and the commitments described in sections 8 through 11; (ii) in Exhibit G, the payment of the $2,684,800 Residential Hotel Replacement Fee described in section 1(c), the payment of the $1,453,820 Residential Unit Replacement Fee described in section 2, and the $3,350,000 payment described in section 3(a)(i) as part of the Affordable Housing Payment; and (iii) in Exhibit H, the $150,000 payment described in section 4(a)(i) as part of the CHAP Improvement Funds. If CPMC intends to rely upon this tolling provision, it shall notify the City of same and the tolling period shall end on the dismissal or end of the Third Party Challenge.

7.4.5 The reimbursement obligations under this Section 7.4 shall survive any judgment invalidating all or any part of this Agreement.

7.5 Permits to Enter City Property. Subject to the rights of any third party, the rights of the public and the City's reasonable agreement on the scope of the proposed work and insurance and security requirements, each City Agency with jurisdiction shall grant permits to enter City-owned property on the City's standard form permit, including, without limitation, provisions regarding release, waivers and indemnification in keeping with the City's standard practices, so long as the same is consistent with Applicable Law, and otherwise on commercially reasonable terms, in order to permit CPMC to enter City-owned property as necessary to construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

7.6 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Approvals and any Subsequent Approvals. In their course of performance under this Agreement, the Parties shall cooperate and shall undertake such actions as may be reasonably necessary to implement the Project as contemplated by this Agreement.

7.7 Other Necessary Acts. Each Party shall use good faith efforts to take such further actions as may be reasonably necessary to carry out this Agreement, the Approvals and any Subsequent Approvals, in accordance with the terms of this Agreement (and subject to all

incurred to complete the Community Commitment, and (4) either Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6. For purposes of the foregoing, "actual damages" means the actual amount of the sum due and owing under this Agreement, with interest as provided by law, together with such judgment collection activities as may be ordered by the judgment, and no additional sums.

9.4.4 Liquidated Damages. CPMC understands, has ascertained and agrees that the City will sustain damages in connection with CPMC's Default of certain obligations under this Agreement. The City and CPMC agree that the liquidated damages set forth in this Section 9.4.4 shall be presumed to be the damages actually sustained by the City, and that because of the nature of CPMC's obligations under this Agreement, it would be impracticable or extremely difficult to fix the actual damages. Liquidated damages shall be considered not as a penalty but as agreed monetary damages sustained by the City for increased costs, exposures and expenses related to CPMC's Default in connection with such obligations, including but not limited to the loss of seismically safe medical facilities serving area residents and increased costs at ~~S.F.~~San Francisco General Hospital and the City's other public healthcare facilities. Any capitalized term used in this Section 9.4.4 that is not defined shall have the meaning given to such term in Exhibit F.

AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNTS SET FORTH BELOW FOR EACH SUCH OBLIGATION ARE A REASONABLE ESTIMATE OF THE DAMAGES THAT CITY WOULD INCUR IN SUCH EVENT, TAKING INTO ACCOUNT ALL RELEVANT FACTS AND CIRCUMSTANCES. CPMC FURTHER ACKNOWLEDGES AND AGREES THAT ANY COLLECTION OF LIQUIDATED DAMAGES BY THE CITY FROM CPMC UNDER THIS SECTION 9.4.4 SHALL NOT RELEASE OR OTHERWISE LIMIT THE LIABILITY OF CPMC FOR ANY OTHER DEFAULT UNDER THIS AGREEMENT EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.4.4(a). BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: CITY: _____ CPMC: _____

Therefore, as City's sole and exclusive remedy, a Default in the performance of any of the following obligations shall be subject to liquidated damages in the amount and as specified in this Section 9.4.4:

(a) St. Luke's Opening Commitment. If CPMC Defaults as to the St. Luke's Opening Deadline then, commencing on the date of Default as to the St. Luke's Opening Deadline and ending on the Opening of the St. Luke's Hospital, CPMC shall pay to the City the following amounts for the following periods: (i) for the first thirty (30) days, Ten Thousand Dollars ($10,000) per day, (ii) for days thirty-one (31) through one hundred twenty (120), Twenty-Five Thousand Dollars ($25,000) per day and (iii) thereafter to the date one year from the first day of such Default, Thirty Thousand Dollars ($30,000) per day. Such payments

between the number of New Enrollees that CPMC was required to accept under the New Medi-Cal Beneficiaries Commitment for that fiscal year and the number of New Enrollees that CPMC did accept in that fiscal year.

(e) St. Luke's Center for Excellence in Community Health Commitment. For any fiscal year in which CPMC Defaults by failing to operate or maintain the St. Luke's Center for Excellence in Community Health as set forth in section 7 of Exhibit F, CPMC shall pay to the City within thirty (30) days following the Default an amount equal to Two Million Dollars ($2,000,000) for the fiscal year in which the Default occurred.

(f) St. Luke's Center for Excellence in Senior Health Commitment. For any fiscal year in which CPMC Defaults by failing to operate or maintain the St. Luke's Center for Excellence in Senior Health as set forth in section 7 of Exhibit F, CPMC shall pay to the City within thirty (30) days following the Default an amount equal to Seven Hundred Fifty Thousand Dollars ($750,000) for the fiscal year in which the Default occurred.

(g) Skilled Nursing Facility (SNF) Beds Capacity Commitment. If CPMC Defaults as to the SNF Beds Capacity Commitment in a fiscal year by not creating or maintaining the required number of SNF beds, then CPMC shall pay to the City within thirty (30) days following the Default an amount equal to (i) Six Hundred Thousand Dollars ($600,000) times the number of SNF beds that CPMC was required to create and maintain as set forth in Exhibit F in that fiscal year but did not, plus (ii) the average Medi-Cal Shortfall for operating each such SNF bed under clause (i) above and for any additional SNF bed in which CPMC failed to place patients as required under Exhibit F, during that fiscal year. The Medi-Cal Shortfall in clause (ii) above shall be determined using the Medicare/Medi-Cal cost finding principles as set forth in section 2(~~a~~f) of Exhibit F to establish an annual total cost for the operation of 100 SNF beds in the prior fiscal year, and dividing that number by 100 to determine the per SNF bed cost of operation.

9.4.5 Arbitration of Disputes.

(a) Arbitration Generally. Any disputes arising under this Agreement relating to the following provisions of Exhibit F the amount or calculation (or components used in connection therewith) of (i) the Baseline Commitment or CPMC EBIDTA as applied in connection with the provisions relating to the Baseline Commitment, (ii) the Maximum Medi-Cal Shortfall as applied in connection with the New Medi-Cal Beneficiaries Commitment, (iii) an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment, or (iv) the St. Luke's ~~Annual~~ Liquidated Payment (the "**Arbitrable Matters**"); shall be submitted to JAMS in San Francisco, or its successor, in front of a single disinterested Arbitrator for final and binding arbitration in accordance with this Section 9.4.5 ("**Arbitration**"). The Parties agree that any Arbitration relating to an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment shall be on an expedited basis.

(b) Arbitration Demand; Selection of Arbitrator. Either Party may file an arbitration demand with JAMS in San Francisco within: (i) ninety (90) days after the later of the expiration of the meet and confer process in Section 9.2 or date on which a Default

9.4.6 City Processing. The City shall not be required to process any requests for approval or take other actions under this Agreement during any period in which payments from CPMC are past due.

9.5 Time Limits; Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any condition or failure of performance, including a Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other condition, action or inaction, or cover any other period of time, other than any condition, action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent condition, action or inaction, and the performance of the same or any other term or provision contained in this Agreement. Except as specifically limited in Sections 9.4.4 and 9.4.5, nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

9.6 Attorneys' Fees. Should legal action be brought by either Party against the other for a Default under this Agreement or to enforce any provision herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys' fees and costs. For purposes of this Agreement, "reasonable attorneys' fees and costs" means the reasonable fees and expenses of counsel to the Party, which may include printing, duplicating and other expenses, air freight charges, hiring of experts and consultants, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "reasonable attorneys' fees and costs" shall also include, without limitation, all such reasonable fees and expenses incurred with respect to appeals, mediation, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Agreement, the reasonable fees of attorneys of City Attorney's Office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's Office's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

10. AMENDMENT; TERMINATION; EXTENSION OF TERM

10.1 Amendment or Termination. This Agreement may only be amended with the mutual written consent of the City and CPMC, provided following a Transfer, the City and CPMC or any Transferee may amend this Agreement as it affects CPMC or the Transferee and the portion of the Project Site owned by CPMC or the Transferee without affecting other portions of the Project Site or other Transferees. Other than upon the expiration of the Term and except as provided in Sections 5.6.4, 7.4.3, 9.4.2 and 10.2, this Agreement may only be terminated with the mutual written consent of the Parties. The amendment or termination, and

Hill Hospital or Open Cathedral Hill Hospital, CPMC shall perform those Commitment Increments which have arisen prior to expiration or termination.

10.4.2 If this Agreement expires or terminates before CPMC Opens Cathedral Hill Hospital and CPMC is continuing or later resumes construction activities on Cathedral Hill Hospital or seeks GACH Licensure of Cathedral Hill Hospital, CPMC shall perform: (i) those Commitment Increments which have arisen prior to expiration or termination; (ii) each Commitment Increment which arises after expiration or termination, except during any period in which CPMC is not actively performing construction of Cathedral Hill Hospital or seeking GACH Licensure of Cathedral Hill Hospital, during which period the obligation to perform the Commitment Increment shall be tolled; and (iii) the Hospital Commitment and the St. Luke's Operating Commitment.

10.4.3 If this Agreement expires or terminates on or after CPMC Opens the Cathedral Hill Hospital, CPMC shall perform the Hospital Commitment (to the extent not previously completed), each and every Commitment Increment and the St. Luke's Operating Commitment.

10.5 Amendment Exemptions. No issuance of a Subsequent Approval, or amendment of an Approval or Subsequent Approval, shall by itself require an amendment to this Agreement. Upon issuance or approval, any such matter shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the amendment or Subsequent Approval). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to an Approval or Subsequent Approval, then the Parties shall concurrently amend this Agreement (subject to all necessary approvals in accordance with this Agreement) in order to ensure the terms of this Agreement are consistent with the proposed Subsequent Approval or the proposed amendment to an Approval or Subsequent Approval. The Planning Department and the Planning Commission, as applicable, shall have the right to approve changes to the Project as described in the Exhibits in keeping with its customary practices, and any such changes shall not be deemed to conflict with or require an amendment to this Agreement or the Approvals so long as they do not constitute a Material Change. If the Parties fail to amend this Agreement as set forth above when required, however, then the terms of this Agreement shall prevail over any Subsequent Approval or any amendment to an Approval or Subsequent Approval that conflicts with this Agreement. Any modification of this Agreement or the Approvals that is not a Material Change, as determined by the Planning Director and the Director of any affected City Agency after consultation with the City Attorney, may be agreed to by the Planning Commission, the affected City Agency (when applicable), and the City Administrator, each in their sole discretion. Any modification to this Agreement that is a Material Change shall be subject to the review and approval of the above parties as well as the Board of Supervisors by ordinance. Any modification shall require compliance with the Development Agreement Statute and Chapter 56, but the provisions of this Section 10.5 shall apply in lieu of the provisions of Section 56.15 of the Administrative Code.

cause of the Excusable Delay applies to both the Cathedral Hill Campus and the St. Luke's Campus and CPMC devotes efforts or resources disproportionally to the Cathedral Hill Campus in its efforts to resolve the Excusable Delay.

11. TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE

11.1 Permitted Transfer of this Agreement. At any time, CPMC shall have the right to convey, assign or transfer all or any part of its right, title, and interest in and to the Project Sites without the City's consent, provided that it also transfers any applicable portion of its interest, rights or obligations under this Agreement (a "**Transfer**") with respect to such portion of the Project Sites to a third party (the "**Transferee**") acquiring an interest in that portion of the Project Sites (the "**Transferred Property**"). For purposes of the foregoing, all of the Public Benefits will apply to, connect and run with the land that is the Cathedral Hill Hospital Site, except for (i) the St. Luke's Operating Commitment and the St. Luke's MOB Commitment, the St. Luke's Health Care Center, the St. Luke's Center of Excellence in Community Health and the St. Luke's Center of Excellence in Senior Health, all as described in this Agreement (including Exhibit F), which apply to, connect and run with the land that is the St. Luke's Campus, (ii) CPMC's obligations in the Workforce Agreement, which apply to, connect and run with the land ~~described~~on which the applicable Workforce Project (as defined in Exhibit E) is to be constructed, and (iii) the ~~fees and commitments in the Transportation Program~~STLD Improvements, which apply to~~, connect and run with~~ the land that is the St. Luke's Campus and the Davies Campus, respectively, as described in Exhibit ~~K~~H. Accordingly, if CPMC conveys or transfers some but not all of the Project Site such that there are separate owners of one or more of the Project Sites, the obligation to perform and complete the Public Benefits shall be separated in the manner set forth above and described in the applicable Assignment and Assumption Agreement. The obligation to undertake the Community Visioning Plans referenced in Section 4.4 shall be the responsibility of the owner of each applicable campus.

11.2 Notice of Transfer. With regard to any proposed Transfer of its interests, rights and obligations under this Agreement, CPMC shall provide not less than ninety (90) days notice to the City before any such Transfer. CPMC shall provide, with such notice, a copy of the assignment and assumption agreement that CPMC proposes to enter into, with a detailed description of what obligations are to be assigned to and assumed by the Transferee and what obligations will be retained by CPMC, and a description of the Transferred Property (each, an "**Assignment and Assumption Agreement**"). Each Assignment and Assumption Agreement shall be in recordable form, in substantially the form attached as Exhibit M, and shall include, among other terms: (i) an agreement and covenant by the Transferee not to challenge the enforceability of any of the provisions or requirements of this Agreement; (ii) a description of the obligations under this Agreement that will be assigned to and assumed by the Transferee and from which CPMC will be released, except to the extent that Exhibit F, Exhibit H or Section 11.7 provide otherwise; (iii) a covenant not to sue the City for any and all disputes solely between CPMC and the Transferee; and (iv) confirmation of all of the indemnifications and releases set forth in this Agreement. The Assignment and Assumption Agreement shall be subject to the consent of the Planning Director, which consent will not be unreasonably withheld, conditioned or delayed and will be limited to confirming that the Assignment and Assumption Agreement satisfies the requirements of this Agreement. It shall not be

interest in the Project Sites. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Sites and undertakes any development activities at the Project Sites, is, and shall be, constructively deemed to have consented and agreed to, and is obligated by all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Sites.

11.6 Rights of CPMC. The provisions in this Section 11 shall not be deemed to prohibit or otherwise restrict CPMC from (i) granting easements or licenses to facilitate development of the Project Sites, (ii) encumbering the Project Sites or any portion of the improvements thereon by any mortgage, deed of trust, or other device securing financing with respect to the Project Sites or Project, (iii) granting a leasehold interest in portions of the Project Sites, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (v) transferring all or a portion of the Project Site pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage.

11.7 Transfer and the St. Luke's Opening Deadline and St. Luke's Operating Commitment. If CPMC transfers the St. Luke's Campus and the Transferee that owns the St. Luke's Campus Defaults as to the St. Luke's Opening Deadline or the St. Luke's Operating Commitment for any reason (other than a City Default), including but not limited to bankruptcy, then CPMC as owner of the Cathedral Hill Hospital Site, or any successor owner of the Cathedral Hill Hospital Site, will be responsible for payment of the applicable liquidated damages set forth in Section 9.4.4(a) or (b), if and when such payments become due and owing, or otherwise causing compliance with ~~the St. Luke's Operating Commitment. The owner of the Cathedral Hill Hospital Site shall also be responsible at all times for payment of the liquidated damages set forth in Section 9.4.4(a), if and when such payment becomes due and owing~~such obligations. The provisions of this Section 11.7 shall survive the termination or expiration of this Agreement for the period during which the St. Luke's Operating Commitment remains in effect and shall continue until the date that any required payments that arise before such date are made.

12. CPMC REPRESENTATIONS AND WARRANTIES

12.1 Interest of CPMC; Due Organization and Standing. CPMC represents that it is the legal owner of the Project Sites. CPMC is a California corporation, duly organized and validly existing and in good standing under the laws of the State of California. CPMC has all requisite power to own its property and authority to conduct its business as presently conducted. CPMC represents and warrants that there is no existing lien or encumbrance recorded against the Cathedral Hill Campus or the St. Luke's Campus that, upon foreclosure or the exercise of remedies, would permit the beneficiary of the lien or encumbrance to eliminate or wipe out the obligations set forth in this Agreement that run with applicable land.

12.2 No Inability to Perform; Valid Execution. CPMC represents and warrants that it is not a party to any other agreement that would conflict with CPMC's obligations under this Agreement and it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated

To CPMC:

Warren Browner, M.D.
CEO, San Francisco Hospitals
West Bay Region, Sutter Health
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with a copy to:

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633 Folsom Street, Seventh Floor
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13.12 Limitations on Actions. Pursuant to Section 56.19 of the Administrative Code, any decision of the Board of Supervisors made pursuant to Chapter 56 shall be final. Any court action or proceeding to attack, review, set aside, void, or annul any final decision or determination by the Board of Supervisors shall be commenced within ninety (90) days after such decision or determination is final and effective. Any court action or proceeding to attack, review, set aside, void or annul any final decision by (i) the Planning Director made pursuant to Administrative Code Section 56.15(d)(3) or (ii) the Planning Commission pursuant to Administrative Code Section 56.17(e) shall be commenced within ninety (90) days after said decision is final.

13.13 Severability. Except as is otherwise specifically provided for in this Agreement with respect to any Laws which conflict with this Agreement, if any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of this Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

13.14 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. CPMC acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

13.15 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood

Summary Report: Litera Change-Pro ML 6.5.0.341 Document Comparison done on 6/20/2012 4:43:53 PM	
Style Name: Default Style	
Original Filename:	
Original DMS:iw://CPDBIWOVEN/WorkSite/2066607/1	
Modified Filename:	
Modified DMS: iw://CPDBIWOVEN/WorkSite/2089857/1	
Changes:	
Add	44
~~Delete~~	27
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Total Changes:	71

EXHIBIT F

Community Healthcare Program

CPMC's Community Healthcare Program includes a range of contributions and other commitments for: (1) health care for vulnerable populations; (2) community healthcare clinics; (3) skilled nursing facility[1] ("**SNF**") beds; (4) sub-acute care services; (5) construction of the (new 80-bed) St. Luke's Hospital; (6) operation of the St. Luke's Hospital; (7) services at the St. Luke's Hospital and Campus; (8) construction of a new St. Luke's medical office building; (9) integration of St. Luke's medical staff and patient quality outcomes; (10) participation in community benefits partnerships; (11) service agreement with Chinese Hospital; (12) culturally and linguistically appropriate services, and (13) City Health Services System. All initially capitalized terms have the meaning given in the Definition section of the Agreement unless otherwise defined in this Exhibit F.

Subject to the provisions of this Exhibit F and the Agreement, CPMC will: (a) continuously operate St. Luke's Hospital for twenty (20) years from its Opening; and (b) from the earlier of the commencement dates specified in the applicable sections below or, if applicable, upon CPMC's notice to the City of an earlier actual commencement (which commencement will occur on the date of CPMC's notice to the City, but in no event earlier than the Effective Date), continuously: (i) perform the obligations in Sections 7(b) and 7(c) for twenty (20) years; and (ii) perform all other obligations in this Exhibit F for ten (10) years.

1. Health Care for Vulnerable Populations.

a. Baseline Commitment. CPMC shall provide Eighty Six Million Dollars ($86,000,000) (the "**Baseline Commitment**") in Health Care Services to Vulnerable Populations annually each fiscal year[2], commencing on the date the Approvals are Finally Granted. The amount of the Baseline Commitment for any partial year during the first fiscal year and the last fiscal year shall be prorated on a per calendar day basis. The Baseline Commitment will be annually increased, each fiscal year, based upon the annual Medical Rate of Inflation. Notwithstanding the foregoing, the Baseline Commitment shall not exceed forty percent (40%) of CPMC EBITDA (as defined in Section 1(c) of this Exhibit F) in any fiscal year (the "**Baseline Commitment Cap**"), except as may be supplemented by the Backstop Commitment (as defined in Section 1(b) of this

[1] Skilled nursing facility is defined in Health & Safety Code Section 1250(c), and the definition is incorporated herein.

[2] All references in this Exhibit F to "fiscal years" shall mean CPMC fiscal years, i.e., January 1 through December 31, unless subsequently modified by CPMC throughout its network. No change in fiscal year shall shorten or lengthen any of CPMC's obligations under this Exhibit F, and the parties will make the appropriate adjustments in reporting as needed to maintain the existing obligations as described in this Exhibit F in accordance with generally accepted accounting principles.

Exhibit F). The Backstop Commitment and CPMC's costs[3] relating to the New Medi-Cal Beneficiaries Commitment (defined in Section 2 below) and the Innovation Fund (defined in Section 3 below) shall not be included in or applied against the Baseline Commitment.

b. Baseline Commitment Carryover. The Baseline Commitment will be deemed satisfied for a particular fiscal year if the Excess Amount from the immediately preceding or the immediately following fiscal year equals or exceeds the Baseline Amount, as set forth in this Section.

The "**Baseline Amount**" means the amount by which the Baseline Commitment exceeds the costs incurred by CPMC in providing Health Care Services to Vulnerable Populations in a particular fiscal year.

The "**Excess Amount**" means an amount by which the costs incurred by CPMC in providing Health Care Services to Vulnerable Populations in a particular fiscal year exceed the Baseline Commitment, provided that (i) CPMC costs for fiscal years before the start of the Baseline Commitment and after the end of Baseline Commitment will not be included for purposes of determining the Excess Amount, (ii) any Excess Amount used to meet the Baseline Commitment requirement for a previous year cannot then later be used as part of the Excess Amount for a subsequent fiscal year, (iii) only twenty-five percent of the costs above $8 million shall be counted in any fiscal year for purposes of determining the Excess Amount, and (iv) in no event will the Excess Amount for a fiscal year exceed ten percent of the then-applicable Baseline Commitment.

If CPMC fails to satisfy the Baseline Commitment in a fiscal year, then CPMC may apply the Excess Amount from the fiscal year immediately before or immediately after that fiscal year in order to satisfy the Baseline Commitment. If the applied Excess Amount equals or exceeds the Baseline Amount as described above, then CPMC shall be deemed to have satisfied the Baseline Commitment for that fiscal year.

c. Definitions. As used herein, "**Health Care Services to Vulnerable Populations**" means charity care and unreimbursed costs to CPMC of providing services to the uninsured, underinsured, and those vulnerable populations eligible for Medi-Cal, California Children's Services Program, or county indigent programs, all as currently described in Health and Safety Code ("**H&SC**") Section 127345(c)(1) but excluding Medicare shortfalls, and to vulnerable populations as currently defined in H&SC Section 127345(h); unreimbursed costs of providing services resulting from continued participation in Healthy San Francisco; and also the unreimbursed costs of services provided to vulnerable

[3] All references to CPMC's "costs" in this Exhibit F shall mean costs incurred by CPMC or its Affiliates in performing the defined obligation that are not paid for or reimbursed to CPMC or its Affiliates. References to CPMC Affiliates for purposes of this Exhibit F exclude Sutter West Bay Medical Foundation, dba Sutter Pacific Medical Foundation.

populations through community-oriented wellness and health promotion, prevention services (including, but not limited to, health screening, immunizations, school examinations, disease counseling and education), sponsorship of free food, shelter, and clothing to the homeless, and outreach clinics in socio-economically depressed areas, as currently described in H&SC Section 127340(d)(1), (2), (9) and (10), respectively.

As used herein, "**Medical Rate of Inflation**" means the percentage change in the annual average for Medical Care Services ("**MCS**") as reported by the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) —U.S. City Average (12-month percentage change - not seasonally adjusted) (the "**Index**"). As identified in the Index, MCS includes professional services, hospital and related services, and health insurance, and excludes Medical Care Commodities, the other major component of medical care, including medical drugs, medical equipment and supplies.

For any increase in the Agreement that is based on the Medical Rate of Inflation, the Index published in February of the fiscal year in question (the "**Adjustment Index**") shall be compared with the Index published most immediately preceding the Effective Date ("**Beginning Index**"). The adjusted amount payable shall be determined by multiplying the amount payable by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Beginning Index. If the Index is changed so that the base year differs from that used for the Beginning Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

As used herein, "**CPMC EBITDA**" means Earnings plus the sum of Interest, Taxes, Depreciation and Amortization (each as defined below) from the Project Sites, Cathedral Hill LLC, St. Luke's Health Care Center, CPMC Research Institute, California Pacific Advanced Imaging, San Francisco Endoscopy Center, Presidio Surgery Center, California Pacific Medical Center Foundation and all CPMC Affiliates operating within the boundaries of San Francisco. The Parties agree that changes over time in CPMC's corporate structure shall not affect the calculation of CPMC EBITDA which shall continue to be based on all CPMC and its Affiliates' operations within San Francisco, and shall be calculated in accordance with generally accepted accounting principles in effect from time to time ("**GAAP**").

As used herein, "**Earnings**" means Total Operating Revenue less Total Operating Expense as same are defined in Section 7(a) of this Exhibit F.

As used herein, "**Interest**" means the expenses incurred on borrows for working capital purposes, such as short-term notes payable; and all long-term debt, such as mortgage notes and bonds.

As used herein, "**Taxes**" means an involuntary fee levied on corporations (unless exempted) that is enforced by a level of government in order to finance government activities.

As used herein, "**Depreciation**" means the diminution of service yield from a fixed asset or fixed-asset group that cannot or will not be restored by repairs or by replacement of parts. The expense recorded spreads the cost of a capital asset over its estimated useful life as determined, where applicable, in accordance with guidelines of the American Hospital Association on a straight line basis.

As used herein, "**Amortization**" means the expenses related to amortization of an intangible asset, such as patents or goodwill.

d. Backstop Commitment. CPMC shall provide additional services, costing up to Twenty Million Dollars ($20,000,000) in the aggregate (the "**Backstop Commitment**"), to the extent (i) the Baseline Commitment is otherwise limited by the Baseline Commitment Cap, to continue to meet the Baseline Commitment, and (ii) to continue to meet the New Medi-Cal Beneficiaries Commitment (as defined in Section 2(~~a~~b) below) to the extent otherwise limited due to the "**Maximum Medi-Cal Shortfall**" (as defined in Section 2(~~a~~f)). CPMC shall use the Backstop Commitment to the extent needed to meet the Baseline Commitment or the New Medi-Cal Beneficiaries Commitment until the Backstop Commitment is exhausted.

e. St. Luke's Health Care Center. As of the date the Approvals are Finally Granted, CPMC shall operate and provide financial and other support to the St. Luke's Health Care Center in a manner and amount generally consistent with CPMC's levels of support for the St. Luke's Health Care Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 14,670 patients annually). The St. Luke's Health Care Center provides out-patient OB-GYN, internal medicine and pediatric services to patients, many of whom are low income and are publicly insured by Medi-Cal or Medicare.

f. Bayview Child Health Center. As of the date the Approvals are Finally Granted, CPMC shall provide financial and other operational support for comprehensive primary pediatric care to residents of the Bayview area through the Bayview Child Health Center in a manner and amount generally consistent with CPMC's level of support for the Bayview Child Health Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 950 patients annually). The Bayview Child Health Center provides comprehensive primary pediatric care to residences of the Bayview area, many of whom are low income, and are publicly insured by Medi-Cal or Medicare.

g. Program Adjustments. The costs of the support provided for the programs and services described in subsections (e) and (f) above may be included by CPMC in the calculation of the costs applied to meet the Baseline Commitment. CPMC may, in the exercise of its reasonable discretion and after consultation with the Director of the City's Department of Public Health (the "**DPH Director**"), adjust, modify, reduce or eliminate those programs, services and service lines or sell, lease or transfer programs, services or service lines to meet evolving community needs, operational cost-effectiveness or quality standards, including, without limitation, by providing them through another operating or service agreement or arrangement, provided that (i) if CPMC materially reduces or eliminates a program, service or service line, it will provide alternative programs, services or service lines of similar value and providing similar levels of service in the affected neighborhood, and (ii) the level of Health Care Services to Vulnerable Populations described in subsections (~~e~~e) and (~~d~~f) above is otherwise provided and maintained under this Agreement.

No subsequent amendment to the definitions in the H&SC Sections cited above in connection with the definition of Health Care Services to Vulnerable Populations, shall modify said definitions for purposes of this Agreement. If a change in Laws, or a change in the number of persons qualifying for Health Care Services to Vulnerable Populations, or the number of persons eligible for Medi-Cal managed care, substantially interfere with, preclude or prevent CPMC from complying with one or more of its obligations hereunder, including, without limitation, with respect to the Baseline Commitment or the New Medi-Cal Beneficiaries Commitment (set forth in Section 2 below), then the parties will meet and confer in good faith to modify the provisions of this Exhibit F, including the definitions or methodology of calculation, as necessary to reflect and maintain the level of healthcare services anticipated to be provided herein.

1. New Medi-Cal Beneficiaries Commitment.

a. San Francisco Health Plan – Medi-Cal Managed Care Program. CPMC shall continue to participate with a standard services agreement in the San Francisco Health Plan Medi-Cal managed care program ("**Program**") in accordance with the provisions below.

b. New Medi-Cal Beneficiaries Commitment. Starting on the Effective Date, and annually thereafter, CPMC shall be open to and shall accept responsibility for providing hospital services (including inpatient and outpatient healthcare services – and associated inpatient and outpatient ancillary and diagnostic services) for no less than ten thousand (10,000) additional Medi-Cal managed care beneficiaries, over the number of such beneficiaries assigned to limited provider networks that designate CPMC's California, Pacific or Davies Campuses as their primary hospital as of January 1, 2012, as set forth in and subject to the conditions in this Section (the "**New Medi-Cal Beneficiaries Commitment**", and each such new Medi-Cal managed care beneficiary, a "**New Enrollee**"). These New Enrollees shall: (i) not be identified as dually eligible for Medi-Cal and Medicare, and

(ii) shall be enrolled in the San Francisco Health Plan, a licensed community health plan, or other plan as described in Section 2~~.~~(c) below, and (iii) shall be assigned to a limited provider network that designates CPMC's California, Pacific and Davies hospitals and, upon Opening, the Cathedral Hill Hospital, as its primary hospitals. Thus, CPMC shall continue to participate in existing programs such that New Enrollees shall be provided service at their assigned hospital(s), except where medical conditions or procedures indicate that care would be more appropriately provided at another facility or in cases of emergency. With the approximately 14,850 existing enrollees as of January 1, 2012, and subject to the schedule and conditions set forth in this Section 2, CPMC shall be open to and accept responsibility for providing hospital services to a cumulative total of 24,850 Medi-Cal managed care beneficiaries to satisfy the New Medi-Cal Beneficiaries Commitment.

c. New Enrollees. So long as CPMC is open to accepting all of the New Enrollees that are assigned to the provider network that designates CPMC's California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s), then CPMC shall not be in Default if CPMC fails to satisfy the New Medi-Cal Beneficiaries Commitment because an insufficient number of New Enrollees have been assigned to the provider network that designates California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s). In the event of an insufficiency of New Enrollees, CPMC shall continue to remain open to accepting New Enrollees as described above.

d. Phasing; 2-Year Rolling Average. The assignment of New Enrollees will occur over time as follows: 1,500 New Enrollees on or before one year after the Effective Date, and an additional 8,500 New Enrollees on or before December 31, 2015. CPMC shall maintain the New Medi-Cal Beneficiaries Commitment for such New Enrollees through the date that is ten (10) years following the Effective Date. Of the total New Enrollees, CPMC shall accept approximately 1,500 new eligible Seniors and Persons with Disabilities ("**SPDs**") over the number of SPDs assigned to the medical group that designates CPMC's California, Pacific or Davies Campus as their primary hospital as of January 1, 2012 (i.e., 1,268).

In accordance with the policies and practices of the San Francisco Health Plan, CPMC shall be available to provide hospital services to New Enrollees initially primarily at the Pacific, California and Davies Campuses, and following the Opening of the Cathedral Hill Hospital, primarily at the Cathedral Hill Hospital and Davies Hospital, except where medical conditions or procedures indicate otherwise or in cases of emergency.

In all events, the New Medi-Cal Beneficiaries Commitment shall be deemed satisfied in a fiscal year if the number of New Enrollees as of the last day of that fiscal year, together with the number of New Enrollees as of the last day of the previous fiscal year or following fiscal year, equals or exceeds the number of New Enrollees required at that time to meet the New Medi-Cal Beneficiaries

Commitment for those two (2) fiscal years combined (i.e., the average number of New Enrollees for the two (2) year consecutive period equals or exceeds the New Medi-Cal Beneficiaries Commitment); provided that (i) the number of Medi-Cal Beneficiaries before January 1, 2012 will not be included, and (ii) the number of excess New Enrollees previously used to meet the requirement in a previous year as provided above cannot be used again to meet the requirement in a subsequent year.

e. San Francisco Health Plan and Other Plans. The San Francisco Health Plan shall pay and CPMC agrees to accept the prevailing rate uniformly paid by the San Francisco Health Plan to other hospitals participating in Medi-Cal managed care. CPMC shall be subject to the same prevailing payment rates paid to other San Francisco Health Plan contracted hospitals, and the same rules, policies and procedures for the assignment and care of enrollees/patients as other participating San Francisco Health Plan hospitals. CPMC also agrees that San Francisco Health Plan may release applicable aggregate enrollment information to the City's Department of Public Health but only to the extent necessary to verify the New Medi-Cal Beneficiaries Commitment. CPMC's costs relative to the New Medi-Cal Beneficiaries Commitment and the amount of the Maximum Medi-Cal Shortfall (described below) are in addition to, and shall not be counted toward satisfaction of, the Baseline Commitment.

If Anthem Blue Cross or any other health plan participating in Medi-Cal managed care in San Francisco implements a business model that assigns Medi-Cal managed care enrollees to a limited provider network that includes a primary care provider and its partner hospital or a capitated delegated model, or if the San Francisco Health Plan discontinues as a health plan participating in the Medi-Cal managed care program for any reason, then CPMC may contract with Anthem Blue Cross or with any other health plan participating in the Medi-Cal managed care program (or with the California Department of Health Care Services directly) to satisfy the New Medi-Cal Beneficiaries Commitment. The number of New Enrollees through any such contract shall count toward satisfaction of the New Medi-Cal Beneficiaries Commitment, and CPMC's costs of services to such New Enrollees shall be included in the Maximum Medi-Cal Shortfall.

In order to facilitate the Parties' monitoring of obligations under this Section 2, CPMC agrees that San Francisco Health Plan (or other health plans participating in Medi-Cal managed care) may release applicable aggregate enrollment, cost and reimbursement information to the DPH Director but only as to the extent necessary to verify the New Medi-Cal Beneficiaries Commitment.

Notwithstanding the foregoing, CPMC's obligation to achieve the New Medi-Cal Beneficiaries Commitment (and its component targets described above) is subject to the conditions in Subsections (f) and (g), below:

f. Maximum Medi-Cal Shortfall. To satisfy the New-Medi-Cal Beneficiaries Commitment, CPMC shall not be required to incur costs of more than Nine

Million Five Hundred Thousand Dollars ($9,500,000) per fiscal year, increased each fiscal year by the lower of the Medical Rate of Inflation or six percent (6%) (the "**Maximum Medi-Cal Shortfall**"). The Maximum Medi-Cal Shortfall is the difference on a yearly basis between: (i) the costs incurred by CPMC in satisfying the New Medi-Cal Beneficiaries Commitment by providing hospital services (including inpatient and outpatient services and associated inpatient and outpatient ancillary and diagnostic services) to New Enrollees; and (ii) the revenue received by CPMC from any source for providing such services to the New Enrollees for that fiscal year. For purposes of this Section, CPMC's "**costs**" shall mean the reasonable cost of providing the applicable services as determined in accordance with reasonable cost finding principles consistently applied. These costs may in part be derived by (1) adjusting hospital charges by the Cost-to-Charge Ratio (i.e., Total Operating Expenses less Other Operating Revenue, divided by Total Gross Patient Revenue) as determined by and consistent with OSHPD reporting, and (2) adjusting pro rata CPMC's total costs for the Cumulative Medi-Cal Managed Care Beneficiaries based on the percentage of Existing Enrollees versus New Enrollees. For example, for the adjustment in clause (2) above, if CPMC's total costs for the Cumulative Medi-Cal Managed Care Beneficiaries is Six Million Dollars, and the Cumulative Medi-Cal Managed Care Beneficiaries consists of one-third Existing Enrollees and two-thirds New Enrollees, then two-thirds of the CPMC's costs for the Cumulative Medi-Cal Managed Care Beneficiaries shall be CPMC's costs for the New Enrollees when determining whether the Maximum Medi-Cal Shortfall has been exceeded.

If CPMC's fiscal year costs in satisfying the New Medi-Cal Beneficiaries Commitment exceeds the Maximum Medi-Cal Shortfall, then, except as supplemented by the Backstop Commitment, the number of New Enrollees CPMC is obligated to accept and care for under this Agreement shall be prospectively reduced as required to cause CPMC to not exceed the Maximum Medi-Cal Shortfall. Any such reduction shall occur through natural attrition and/or by closing to new members in coordination with San Francisco Health Plan. In no event shall CPMC drop or terminate service to the New Enrollees or other Medi-Cal managed care beneficiaries without such coordination with San Francisco Health Plan. As soon as CPMC becomes aware that CPMC's costs have exceeded or will likely exceed the Maximum Medi-Cal Shortfall, CPMC shall notify the DPH Director and provide reasonable evidence of its costs relative to the Maximum Medi-Cal Shortfall. The Parties agree to meet and confer in good faith regarding the New Medi-Cal Beneficiaries Commitment, the Maximum Medi-Cal Shortfall and the possibility of cost reductions and/or lowering the number of New Enrollees that CPMC can maintain within the Maximum Medi-Cal Shortfall.

g. MSO Providers. CPMC shall contract with at least two (2) Management Services Organizations (or its equivalent, such as an independent physician association or, in the event San Francisco Health Plan changes its business model to provide MSO services, the San Francisco Health Plan) participating in the Medi-Cal

managed care program (each, an "**MSO**") through the Program. CPMC shall contract with an existing MSO to care for 8,500 New Enrollees, and, when available, with a new MSO where the primary care provider base is located in the Tenderloin to care for 1,500 New Enrollees. CPMC and the City acknowledge that there is currently no eligible MSO with a primary care provider base located in the Tenderloin, and nothing in this Agreement requires CPMC to establish or participate in establishing, maintaining or funding an MSO in the Tenderloin or elsewhere. If there continues to be no MSO with its provider base located in the Tenderloin, then CPMC shall, following consultation with the DPH Director, contract with a new MSO reasonably acceptable to the DPH Director with a primary care provider base that is located outside of the Tenderloin but that serves Tenderloin residents. In the event there is no such new MSO serving Tenderloin residents, then CPMC shall meet its New Medi-Cal Beneficiaries Commitment by contracting with an existing MSO, if available, to the extent the MSO has the capacity to accept New Enrollees.

2. **Innovation Fund**.

a. Administration.

i. Innovation Fund Agreement. CPMC shall enter into the Innovation Fund Grant Agreement (the "**Innovation Fund Agreement**") substantially in the form attached hereto as Attachment 1 to this Exhibit F, and City shall agree to and accept same as indicated, with only such changes as are approved by the DPH Director, the City Attorney and the Innovation Fund Foundation that do not decrease CPMC's payment obligations or otherwise materially reduce the benefits provided under the Innovation Fund Agreement as determined by the DPH Director. The Innovation Fund Agreement shall include and implement the provisions applicable to the Innovation Fund Foundation as set forth in this Section 3. CPMC shall deliver to the City the fully executed Innovation Fund Agreement promptly following execution and delivery by the parties, but in no event later than the date of the first required payment to the Innovation Fund under this Section. All actions, authorizations and decisions of City under this Section 3 shall be made by the DPH Director.

ii. Innovation Fund Foundation. The Parties have mutually selected the San Francisco Foundation to be the party to hold and administer the Innovation Funds in accordance with the Innovation Fund Agreement (the "**Innovation Fund Foundation**"). If, for any reason, the San Francisco Foundation is unable to execute the Innovation Fund Agreement or, if at any time during the Term, the Innovation Fund Foundation is unable to perform its obligations under the Innovation Fund Agreement (including any termination of the San Francisco Foundation), the Parties shall by mutual agreement, or if they are unable to agree after 60 days, then City shall have the authority to select a replacement entity to serve as the Innovation Fund Foundation and CPMC and City shall execute and

deliver a replacement Innovation Fund Agreement with the replacement Innovation Fund Foundation, substantially in the form of the Innovation Fund Agreement attached hereto. The Parties shall cooperate to cause all existing undisbursed funds, and all rights and obligations held by the San Francisco Foundation under the Innovation Fund Agreement, to be transferred to the replacement Innovation Fund Foundation.

iii. Committee of Fund Advisors. The Parties shall create a committee of fund advisors (the "**Committee**") to advise the Innovation Fund Foundation in accordance with the terms of the Innovation Fund Agreement. The City and CPMC and the Innovation Fund Foundation shall each appoint one member of the Committee (and any replacement of that member shall be made by the appointing entity; and upon any replacement of the Innovation Fund Foundation, its appointee member shall be replaced by the new Innovation Fund Foundation. The Committee shall, among other things, and without liability of any kind or character to any person on account of such advice, provide to the Innovation Fund Foundation: ~~(A) investment advice for the Innovation Fund Balance to the Innovation Fund Foundation consistent with the City's investment policies for surplus funds as said policies may be amended from time to time; and (B)~~ Innovation Fund disbursement advice, including the rate, schedule and allocation of disbursements and the terms, goals and purposes thereof. In connection therewith, the Committee shall strive to reach a consensus on Innovation Fund ~~investment advice (provided nothing herein shall require CPMC or the City to provide investment advice), and~~ disbursement schedule and allocation advice amongst the members of the Committee and with the Innovation Fund Foundation. If a consensus is not reached, the Committee will nevertheless provide a single report to the Innovation Fund Foundation conveying the view of each of the Committee members, and the Innovation Fund Foundation shall have the authority to make ~~investment and~~ disbursement decisions. The Innovation Fund Foundation shall exercise final control of the investment of the Innovation Fund pursuant to its investment policy with respect to designated and endowed fund. The Parties' representatives on the Committee shall carry out their responsibilities in accordance with this Agreement and the Innovation Fund Agreement.

b. The Innovation Fund. CPMC shall pay to the Innovation Fund Foundation Twenty Million Dollars ($20,000,000) (the "**Innovation Fund**") as follows: (i) a first installment of Three Million Five Hundred Thousand Dollars ($3,500,000) within thirty (30) days of the Effective Date, and (ii) a second installment of Sixteen Million Five Hundred Thousand Dollars ($16,500,000) within thirty (30) days of the date the Approvals are Finally Granted. The corpus of the Innovation Fund shall be managed as provided in the Innovation Fund Agreement and this Agreement. CPMC's payments to the Innovation Fund and distributions from the

Innovation Fund shall not be included in or considered a part of the Baseline Commitment.

If, for any reason, the Parties are dissatisfied with the performance of the Innovation Fund Foundation (or any successor Innovation Fund Foundation), the Parties agree to cooperate in investigating and, if feasible and appropriate, transferring the Innovation Fund Balance to another Innovation Fund Foundation, to be held pursuant to a replacement Innovation Fund Agreement substantially in the form attached hereto as Attachment A and approved by the DPH Director after consultation with the City Attorney.

c. Distribution of Innovation Fund. The Innovation Fund Foundation shall annually distribute a portion of the principal balance of the Innovation Fund to third-party recipients under a grant application process approved by CPMC and the DPH Director. The Innovation Fund Foundation shall apply the Innovation Fund Balance: (i) to enhance the performance and improve the sustainability of the City's community based service providers and in a manner that is consistent with the other criteria described in this Section 3; and (ii) to pay for its reasonable administrative costs associated with the Innovation Fund, including costs associated with the creation of the Innovation Fund. Prior to any disbursements or commitments for distribution of the Innovation Fund, the Innovation Fund Foundation shall consult with, obtain disbursement advice from the Committee and, if possible, obtain a consensus for Distributions with the Committee, as provided in Section 3(a)(iii) above, provided that final determinations shall be made by the Innovation Fund Foundation. The City and CPMC shall have no right to challenge the appropriateness or the amount of any distribution or expenditure, so long as it is distributed in accordance with the procedures in this Section and used for and consistent with the purposes identified herein. The Innovation Fund shall condition grant distributions as necessary to ensure accountability for use of funds, and to monitor effectiveness.

The Innovation Fund Agreement shall provide that the Innovation Fund Foundation shall maintain records as part of its accounting system to account for all distributions and expenses for a period of not less than four (4) years following the date of such distribution or other expenditures, and annually make such records available to the City or CPMC prior to the Annual Review Date, and upon request.

d. Rate and Schedule of Disbursements. The rate and schedule of disbursements shall be determined by the Innovation Fund Foundation after consultation with and advice from the Committee so as to be responsive to achieving the identified program goals as determined by the Committee from time-to-time. The first disbursement shall be made within one (1) year following the first installment payment of the Innovation Fund to the Innovation Fund Foundation.

e. Initial Program Goals. Initial program goals and Innovation Fund allocation guidelines are as follows:

i. Support and improve the capacity of community clinics to increase their participation in managed Medi-Cal programs, including, but not exclusive to, the creation of a new MSO or expansion of current MSOs, development of care management capabilities, implementation and integration of evidence-based chronic disease management and team-based care models, investment in electronic medical records, participation in the San Francisco Health Information Exchange and developing organizational partnerships between CPMC and existing community clinics, and support for provision of specialty medical services (approximately 75%);

In implementation of the program goals related to MSOs, the Committee of Fund Advisors will consult with third-party subject matter experts in health care delivery in a managed care environment, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals; and

ii. Provide infrastructure support for community-based health, human service and behavioral health service providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including providers of community-based alternatives to inpatient psychiatric care that allows patients to receive services in the most appropriate and least restrictive setting (approximately 25%).

These initial program goals and guidelines ~~are subject to change~~may be modified with approval of the DPH Director and CPMC and in accordance with ~~this Section 3 and~~ the Innovation Fund Agreement.

f. As used herein, "**Innovation Fund Balance**" means the amount that is equal to the Innovation Fund adjusted to reflect: (i) increases by investment earnings; and (ii) decreases by investment losses, disbursements to health care providers and Allowable Costs, as defined in the Innovation Fund Agreement.

3. **Skilled Nursing (SNF) Beds**. Starting on the date the Approvals are Finally Granted, and annually thereafter, CPMC shall maintain capacity for 100 licensed SNF beds for all CPMC patients, as appropriate, and without discrimination among them (the "**SNF Beds Capacity Commitment**"). CPMC anticipates meeting the SNF Beds Capacity Commitment by (a) continuing to provide the 38 licensed SNF beds currently located at the Davies Campus, and (b) providing at least 62 licensed SNF beds at other on or off campus locations within San Francisco. CPMC may, however, in the exercise of its sole discretion, meet its SNF Beds Capacity Commitment at other locations so long as (i) all SNF beds are located within San Francisco, and (ii) no existing community-based SNF beds (i.e., SNF beds in the City that are not located at CPMC and that are in use) shall be

utilized at any time to meet the SNF Beds Capacity Commitment, and therefore any SNF beds that are not in a facility owned by CPMC or its Affiliates must be newly created to be counted for purposes of satisfying the SNF Beds Capacity Commitment.

Notwithstanding the foregoing, and regardless of whether CPMC has available SNF bed capacity, CPMC may discharge a patient to a community based bed if such discharge is clinically-supported or is consistent with a patient preference. The unreimbursed costs associated with SNF beds may be applied by CPMC to satisfy the Baseline Commitment and, to the extent that SNF services are provided to New Enrollees and those SNF services are required under the hospital services agreement between CPMC and the San Francisco Health Plan, the unreimbursed costs may be applied to the Maximum Medi-Cal Shortfall.

CPMC will work with SFDPH, the other San Francisco hospitals, and other interested parties to address City-wide SNF capacity issues, and will be responsible for its mutually agreed upon fair share with other hospitals of any adopted City-wide SNF initiative to address any reduction in SNF capacity that might occur for the 10-year period starting upon expiration of the SNF Beds Capacity Commitment.

4. **Sub-Acute Care Services**. CPMC shall work with SFDPH and other hospital operators in good faith, but without assuming any obligation to expend funds or other resources, to develop specific proposals for providing sub-acute care services in San Francisco, and to present such proposals to the Health Commission by June 30, 2013.

5. **Construction of St. Luke's Hospital**. The Hospital Commitment and Completion of Construction of the St. Luke's Hospital are described in the Agreement.

6. **St. Luke's Campus**.

   a. St. Luke's Hospital. CPMC will continuously, without interruption, operate St. Luke's Hospital as GACH Licensed, 80-bed General Acute Care Hospital with comprehensive emergency medical services (pursuant to sections 70451-70459 of Title 22 of the California Code of Regulations) for a period of twenty (20) years starting on the date that St. Luke's Hospital Opens (the "**St. Luke's Operating Commitment**"); provided, however, CPMC may elect to terminate the St. Luke's Operating Commitment if CPMC's Operating Margin falls below one percent (1%) for two (2) consecutive fiscal years (an "**Operating Margin Failure**") starting on the first full fiscal year after the Opening of St. Luke's Hospital. If CPMC's Operating Margin falls below one percent (1%) in any fiscal year, CPMC shall notify the City of the same. During the following fiscal year, CPMC shall meet and confer in good faith with the DPH Director and other City staff to consider any proposed adjustment, modification, reduction, elimination, closing, sale, lease or transfer of St. Luke's Hospital services. CPMC shall use commercially reasonable efforts to prevent an Operating Margin Failure. If thereafter an Operating Margin Failure occurs (i.e., CPMC's Operating Margin fell below one percent (1%) for each of such two (2) consecutive fiscal years), then CPMC shall send notice of the same to City, including such information as

the City deems reasonably necessary to confirm whether an Operating Margin Failure has occurred, and CPMC shall have the right in the notice to terminate the St. Luke's Operating Commitment, provided such termination shall not become effective until thirty (30) days or more after CPMC's delivery of the notice. Furthermore, if the City disputes whether an Operating Margin Failure has occurred by initiating Arbitration pursuant to and within the time period set forth in Section 9.4.5 of the Agreement, then CPMC shall not terminate the St. Luke's Operating Commitment until the earlier of (1) the date on which the Arbitrator issues an award that provides that an Operating Margin Failure has occurred, or (2) the date that is six (6) months following the date on which CPMC provided notice as set forth above that an Operating Margin Failure occurred. If CPMC terminates the St. Luke's Operating Commitment before the completion of Arbitration and the Arbitrator determines that an Operating Margin Failure did not occur, then CPMC shall be liable for liquidated damages as set forth in Section 9.4.4(b) of the Agreement.

If City initiates Arbitration, CPMC shall deliver to the City and Arbitrator, prior to the conclusion of the Arbitration and issuance of the award, a report from its independent third party auditor (Ernst and Young or successor auditor hired by CPMC as set forth in Section 14~~.~~(b) below) stating its opinion that the information upon which the Operating Margin calculations are based in connection with a determination of an Operating Margin Failure is fairly stated in all material respects and is in conformance with applicable GAAP.

As used herein, the term "**Operating Margin**" means Total Operating Revenue minus Total Operating Expense divided by Total Operating Revenue from CPMC and CPMC Affiliates operating within the boundaries of the City. Total Operating Revenue and Total Operating Expense shall be calculated in a manner consistent with GAAP.

"**Total Operating Expense**" means total expenses of operations of CPMC and all CPMC Affiliates operating within the boundaries of the City, defined in accordance with GAAP, consistently applied and as reflected in Sutter Health's audited consolidated financial statements. By way of example, such expenses include, without limitation, reasonable payments to the system (i.e., Sutter Health), consistently applied through the system, for overhead and for services provided by the system; such expenses would not include equity or cash transfers or capital contributions to the system.

"**Total Operating Revenue**" means all net revenues received by CPMC and all CPMC Affiliates operating within the boundaries of the City, including contractual allowance, charity and bad debt.

b. Services at St. Luke's Campus During the St. Luke's Operating Commitment.

i. CPMC shall provide the following services on-site at the St. Luke's Campus at all times during the St. Luke's Operating Commitment:

(A) Inpatient services, including cancer, cardiology, endocrinology, respiratory, neurology, gastroenterology, orthopedics, infectious disease, urology, general and vascular surgery, intensive care unit, labor & delivery, gynecology, special care nursery, telemedicine;

(B) Urgent care; and

(C) Outpatient services, including internal medicine, ambulatory surgery, cardiology, diagnostic imaging, gastroenterology, laboratory services, obstetrics, orthopedics, hepatology, neurology, oncology, orthopedics, respiratory therapy, child development, retail pharmacy, lab services.

ii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Community Health at the St. Luke's Campus. This Center of Excellence would build on CPMC's existing HealthFirst Program and annually offer approximately 800 patients from St. Luke's Health Care Center access to a primary care medical home to support self-management of chronic illness. The Center will recruit and train health workers from the community to work in an interdisciplinary care team setting, providing culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F). CPMC shall create a community advisory board to provide input into the operation of the Center.

iii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Senior Health at St. Luke's Campus. This Center of Excellence would be based upon the Hospital Elder Life Program ("**HELP**") and annually provide care to approximately 600 seniors over age 70. HELP is a targeted program of care for hospitalized older adults designed to prevent or decrease the severity of delirium and increase or maintain function, improve hospital care, maximize the patient's independence at discharge, assist the patient with transition from hospital to home, prevent unplanned readmission, and prevent the hazards of hospitalization that sometimes lead to a cascade in decline. The Center will provide culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F).

iv. The unreimbursed cost of services of providing Health Care Services to Vulnerable Populations in connection with the two Centers of Excellence described in Subsections 7(b)(ii) and (b)(iii) above (other than

incremental costs for added service, including one-time start-up costs or other administrative costs that are not associated with providing Health Care Services to Vulnerable Populations), shall be included in and applied to the satisfaction of the Baseline Commitment.

v. The obligations in Subsections 7(b)(i)-(iii) above shall start upon the Opening of the St. Luke's Hospital. CPMC may, in the exercise of its sole discretion, provide the services in Subsections 7(b)(i)-(iii), above through contractual or other arrangements with other licensed providers, so long as the services are performed at the St. Luke's Campus. CPMC may, in the exercise of its reasonable discretion, adjust, modify, reduce, close, eliminate, sell, lease or transfer the programs, services or service lines described in this Section 7(b)(i)(A) through (C) to meet evolving community needs, operational cost-effectiveness or quality standards, provided that CPMC shall provide no less than six (6) months notice to City of a proposed material reduction or elimination of a program, service or service line. During this six (6) month period, CPMC and SFDPH shall meet and confer on the proposal and during said period CPMC shall comply with applicable Laws with respect thereto, including but not limited to the applicable requirements of the City's Community Health Care Planning Ordinance (San Francisco Administrative Code, Appendix 17). CPMC may, in the exercise of its reasonable discretion, adjust or modify the programs offered through the two Centers of Excellence described in Sections 7(b)(ii) and (iii) to meet evolving community needs, operational cost-effectiveness or quality standards. Nothing herein shall be deemed limit the ability of CPMC to provide other or additional services.

c. St. Luke's Medical Office Building.

Commencing as of the Opening of the St. Luke's Hospital:

i. CPMC shall submit a proposal for development of the St. Luke's MOB to the Sutter West Bay Board within ninety (90) days after (A) the Monteagle MOB is operating at least ninety percent (90%) occupancy for a one (1) year period; (B) there is demonstrated demand, through formal pre-leasing commitments for at least seventy-five percent (75%) of the proposed seventy two thousand (72,000) rentable gross square feet of the St. Luke's MOB; and (C) operating rooms at St. Luke's Hospital are operating at least eighty percent (80%) capacity for a one (1) year period. A final decision to proceed with construction of the St. Luke's MOB shall be subject to approval by the Sutter West Bay Board (in the exercise of its sole and absolute discretion) and, if applicable, an agreement with a third party medical building developer and operator, including an acceptable economic structure and financing terms.

ii. If the Sutter West Bay Board decides not to proceed with the construction of the St. Luke's MOB, or fails to act with respect to such decision within six (6) months after its submittal to the Board in accordance with Section 7(c)(i), or if the conditions set forth in Section 7(c)(i) have not been satisfied on or before the date that is four (4) years following the Opening of the St. Luke's Hospital, then the City may request that the Parties meet and confer in good faith regarding the potential for development of the St. Luke's MOB. If, within six (6) months, CPMC has not agreed to Commence Construction of the St. Luke's MOB, then upon notice being delivered by City within sixty (60) days after said six (6) month period (the "**Option Commencement Date**"), a City option shall arise to lease from CPMC the St. Luke's MOB site solely for purposes of City constructing and operating a medical office building, subject to the following terms and conditions:

(A) City and CPMC shall negotiate the terms of the lease in good faith, consistent with the material terms described below, and subject to each Parties' approval (which CPMC shall not unreasonably withhold). The negotiations shall continue for so long as the parties are willing to continue, but in no event less than six (6) months from the Option Commencement Date. If the Parties are unable to reach agreement within the six (6) month period, then they (or either of them) may agree to terminate negotiations or the parties may agree to submit the outstanding lease items to mediation, provided (i) any mediation shall be nonbinding, and (ii) any final lease shall be subject to the review and approval of the Parties, each in their reasonable discretion, and CPMC shall not disapprove the proposed lease based upon items that are consistent with the terms of this Exhibit F. The City may renew negotiations at any point up during the St. Luke's Operating Commitment so long as (i) not less than two (2) years have transpired since the previous negotiations ended, and (ii) CPMC does not intend to construct the St. Luke's MOB on the site. CPMC can notify the City at any time before or during ground lease negotiations that it intends to construct the St. Luke's MOB, and the City will have no ongoing negotiation rights under this Section so long as CPMC is actively pursuing the planning and construction of the St. Luke's MOB.

(B) The ground lease will be for an initial term of fifty-five (55) years with four (4) five-year options to extend the term.

(C) The ground lease will require the City to complete construction plans for the medical office building, obtain all required permits, approvals and authorizations to commence construction, and obtain financing necessary to complete construction, as reasonably

agreed upon by the Parties. The ground lease will also require the City to diligently complete construction upon commencement, subject to excusable delay.

(D) The City will comply with all mitigation measures applicable to the construction and operation of the medical office building in accordance with CEQA. CPMC will have reasonable rights to review and approve the design for the medical building for consistency with St. Luke's Campus design and operations.

(E) The ground lease will be at nominal rent, not to exceed $100 per year, and without deduction abatement or offset and absolutely net of all costs and expenses. CPMC will not be required to incur any expense or make any payment with respect to the ground lease or City's use or occupancy of the site, including any improvements. City will be responsible for the management, maintenance, repair, preservation, and operation of the building and any supporting facilities. City shall not be required to demolish the building at the end of the ground lease term so long as it has been maintained in accordance with commercially reasonable standards.

(F) CPMC would have first right of refusal with respect to any proposed transfer of the ground lease to a party, excluding any transfer to an affiliate or resulting from a reorganization~~;~~.

(G) Insurance, indemnity, default and remedies provisions would be consistent with industry standard provisions for ground leases for medical buildings in the San Francisco Bay Area~~; and~~.

(H) Neither the City nor any tenant or occupant of the building shall use any space within the building for a birthing center, computerized tomography (CT), radiation therapy, MRI or other future imaging modalities, a laboratory (including a pathology laboratory or a clinical laboratory), physical therapy, respiratory therapy, inpatient or outpatient surgeries, or other services that compete with services then-provided by St. Luke's Hospital or elsewhere on the St. Luke's Campus, without the prior written consent of CPMC. Notwithstanding the foregoing if any such use is incidental to and routinely performed as part of a physician's primary medical practice for the physician's patients, the foregoing restrictions shall not apply. The foregoing restrictions shall not apply to any lease of space within the building to CPMC or any Affiliate of CPMC, or any subtenant or licensee of CPMC or any Affiliate of CPMC. City may lease space within the building for childcare, incidental retail or coffee shop purposes and other uses incidental to a medical office building.

7. **Integration of St. Luke's medical staff and Patient Quality Outcomes**. CPMC shall continue its good faith efforts at the clinical integration of medical staffs at the St. Luke's Campus, with the medical staff at its Pacific Campus, California Campus and Davies Campus (and, upon Completion of the Cathedral Hill Hospital and the Cathedral Hill Campus), and on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC Campuses.

8. **Participation in the Community Benefits Partnership**. CPMC shall continue to actively participate in the "**Community Benefits Partnership**" (an outgrowth of the Building a Healthier San Francisco needs assessment process and the Charity Care Project), of San Francisco private non-profit hospitals, SFDPH, Human Services, community clinics, health plans, non-profit providers and advocacy groups, to prepare a community benefit plan, as defined in Health and Safety Code Section 127355, for submittal to OSHPD. Upon completion, CPMC shall create its own plan to implement the goals of the community benefits plan. The community benefits plan will focus on low-income and underserved communities within the Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, and address primary care, disease prevention, and health promotion programs targeted to the needs of those communities.

9. **Service Agreements with Chinese Hospital**. Through existing service agreements, CPMC currently provides pediatric, obstetric, and certain tertiary services to Chinese Hospital patients. CPMC shall continue to provide such services in a manner generally consistent with existing services agreements with Chinese Hospital and its affiliates as of the Effective Date. Notwithstanding the foregoing, CPMC may adjust programs, services and service lines to meet evolving community needs and quality standards, as may be reflected in future service agreements with Chinese Hospital and its affiliates.

10. **Culturally and Linguistically Appropriate Services**. CPMC shall deliver at all Campuses culturally and linguistically appropriate services that are representative of San Francisco's diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS), as issued by the U.S. Department of Health and Human Services' Office of Minority Health in March 2001 and subsequently updated.

11. **City Health Services System**.

    a. The City's Health Service System ("**HSS**") contracts with HMO, PPO and Administrative Service Organizations (the "**City Insurers**") to provide health care coverage to its members. The City Insurers currently include Blue Shield, Kaiser and United Health Care.

    b. To promote the goal of ensuring that the cost of building the Cathedral Hill Hospital and the St. Luke's Hospital shall not be disproportionately passed on to the City, CPMC and City have agreed to the following rate increase limitations:

    c. For the period from January 1, 2013 to December 31, 2015, the negotiated fee for

service increase for CPMC shall not exceed 5% annually as compared to the prior fiscal year fee for service rates, and for the following seven (7) years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5% (the "**Annual Rate Increase**"). Fee for service rates include those services paid on a percentage of charge, case rate, or per diem rate and encompass all rates charged to the City Insurers on an encounter or per service basis. Such annual fee for service increase computation shall be on an aggregated blended basis computed on the previous year rates and services and shall not include incentives payments or shared savings payments earned by the facility. This means that, for the same claims from the previous year (priced on the current year's rates as compared to the prior year), the increase in the amount shall not exceed the Annual Rate Increase. The City Insurers may change periodically and the application of this limit is contingent on CPMC having a contract to participate in the product/network for HSS members with the applicable City Insurer, and this limit shall apply to all services provided to all HSS members enrolled in the product and covered by the applicable City Insurer even if the HSS member selected a primary care physician and /or physician group or independent provider association (IPA) that is not typically associated with CPMC. This Section does not apply to any City Insurer that does not have a contract with CPMC to participate in a HSS member/product or network.

d. CPMC will comply with all applicable laws and regulations that govern hospitals as to how patients must be treated when they present to CPMC for emergency services. This includes those patients with or without insurance coverage. CPMC shall also comply with all applicable provisions of Health and Safety Code Sections 1262.8, 1317.1, 1371.4 and 1386. In addition, if CPMC becomes a non-participating provider of any City Insurer's product/network for HSS Members after July 1, 2012, CPMC will work in good faith with the applicable City Insurer to establish a repatriation process for the applicable HSS members that are identified by the treating physician to be "stable for transfer" and for which the City Insurer has located a receiving physician to accept the HSS member at an appropriate facility that participates in the applicable City Insurer's product/network . The repatriation process may include but is not limited to establishing direct telephone access between the parties twenty-four hours a day/seven days a week, assistance coordinating transport and transfers to the other facilities once identified as being available to receive the HSS member and delivering patient notifications from the City Insurer to HSS Members when appropriate.

e. In the event that the City and any City Insurer elects to offer a product/network that does not include CPMC as a participating provider for HSS members in the future, and CPMC continues to have a contract with the applicable City Insurer, CPMC will agree to extend to the City Insurer the same discount that CPMC (or an Affiliate of CPMC) extends to that City Insurer for all products/networks in which CPMC (or an Affiliate of CPMC) does not participate (the "**Non-Participating Provider Rate**"). The Non-participating Provider Rate will be

applied to all services rendered to all the HSS members enrolled in the product/network, including but not limited to emergency services. This Section is not part of the Annual Rate Increase commitment above; however, the City may request an Independent Actuary to verify with the City Insurer that the rate was applied correctly as set forth in the applicable contract between the City Insurer and CPMC and per Section 12.(g) below.

f. CPMC will provide reasonable access to City representatives to be included in related wellness and quality initiatives that impact HSS Members that participate in these types of programs administered or supported by CPMC ("**ACO Program**").

g. CPMC and the City shall, if requested by the City within one year of the end of the applicable fiscal year, jointly engage an independent third party actuary acceptable to all parties (the "**Independent Actuary**"), with not less than ten (10) years experience, to verify for the prior fiscal year, whether CPMC has satisfied the Annual Rate Increase commitment outlined in Section 12.(c) above and verify the Non-Participating Provider Rates were applied as agreed in Section 12.(e) above; provided however, the applicable City Insurer has also consented to such actuarial review and CPMC has a contract with that City Insurer to participate in at least one HSS member product/network. The Independent Actuary shall be a "disinterested person", which is someone who is not now, and within the preceding five (5) years has not been, employed or hired by, or had a business relationship with, either Party or any entity owned or controlled in whole or in part by either Party. CPMC and the City shall hire the Independent Actuary using a standard contracting form approved by all the Parties, with confidentiality required of all of the Parties for all information reviewed by the Independent Actuary. CPMC and the City shall pay one-half of the cost of the contract, although CPMC shall reimburse the City for its share as a City Cost under the Agreement (and the Independent Actuary shall not be informed of CPMC's reimbursement obligation). Because the City is not paying for the Independent Actuary, the City's contracting provisions in the San Francisco Administrative Code will not apply. The Independent Actuary shall determine and inform the Parties, in a writing delivered jointly to CPMC and the City, whether CPMC has satisfied the Annual Rate Increase commitment and the Non-Participating Provider Rate commitment. The determination of the Independent Actuary shall be final and binding on the Parties. If CPMC exceeded the permitted Annual Rate Increase or the Non-Participating Provider Rate commitment, then CPMC shall pay to the HSS Trust Fund within thirty (30) days of receipt of the Independent Actuary's determination, for its non-performance and as liquidated damages, the amount of the difference between the amount paid by the applicable City Insurer to CPMC and the amount payable to CPMC by City Insurers consistent with those commitments as determined by the Independent Actuary. The information reviewed by the Independent Actuary shall remain confidential.

h. While CPMC must limit Annual Rate Increases as described above, nothing in this Exhibit shall limit a City Insurers' right or willingness to accept or reject any proposed Annual Rate Increase, or to negotiate a lower Annual Rate Increase, in any fiscal year. The Annual Rate Increases set forth above represent the maximum increases that CPMC may charge to City Insurers for which CPMC participates in the HSS member's product. CPMC and the City agree to work together in good faith to keep health costs as low as possible, and the City expects that the increases be less than the maximum levels identified above.

12. **Books and Records**.

a. CPMC shall at all times keep and maintain complete and accurate books and records relating to the satisfaction of CPMC's obligations under this Exhibit F (the "**Healthcare Obligations**"), including but not limited to the costs incurred by CPMC and the amounts reimbursed to CPMC[4] for completion of the Healthcare Obligations, as may be necessary or appropriate to verify compliance with the Healthcare Obligations (the "**Books and Records**"). All Books and Records shall be maintained in accordance generally accepted accounting principles for health care providers, and as required to satisfy State and federal reporting obligations.

b. CPMC must keep the Books and Records available for inspection by City and its agents in San Francisco during regular business hours, for a period of three (3) years from the date for performance of the obligation or, in the event of a dispute regarding satisfaction of the Healthcare Obligations, until such dispute shall have been resolved. CPMC agrees to make the Books and Records available to City and its agents annually upon request for the purpose of verifying CPMC's annual compliance or noncompliance with the Healthcare Obligations.

c. Upon request, CPMC shall furnish City with such other financial or statistical reports as are publicly available or as have been reported to governmental entities from time to time, including but not limited to reports to OSHPD. If any audit by or on behalf of a State or federal governmental entity reveals that information previously submitted by CPMC to the City is incorrect or materially misleading (under the same standards, methodologies and numbers used and accepted by the State or federal entity), then CPMC shall inform the City of the audit and the corrected information within 30 days following CPMC's receipt of the audit.

13. **Reporting**.

a. As part of each annual Compliance Statement (and after the Term within one hundred fifty (150) days following the end of each fiscal year for as long as any Healthcare Obligations remain outstanding), CPMC shall deliver to the City a reasonably detailed healthcare compliance report that verifies and provides the information required to demonstrate CPMC's compliance with each of the

[4] All references to CPMC in this Section 13 and in Section 14 shall include Affiliates of CPMC.

Healthcare Obligations during the preceding fiscal year, together with such backup documentation deemed reasonably necessary by the City to confirm such compliance (the "**Healthcare Compliance Report**"). Each Healthcare Compliance Report shall include a certification that it is true, accurate and complete, after reasonable inquiry, and complies with the terms of this Exhibit F. The City and CPMC shall cooperate with one another to develop a reporting format that satisfies the reasonable informational needs of the City in verifying compliance with this Exhibit F without requiring the disclosure of any CPMC confidential proprietary or trade secret information. CPMC shall provide or make available such additional supporting documentation as the DPH Director may reasonably request from time to time to verify CPMC's compliance with the Healthcare Obligations.

b. If the Baseline Commitment exceeds forty percent (40%) of EBITDA as set forth in Section 1~~.~~(a) of this Exhibit F, then the CPMC EBITDA calculations submitted in accordance with this Agreement shall be accompanied by a report from CPMC's auditor, Ernst and Young (or successor independent auditors) stating that the financial information so submitted is fairly stated and consistent in all material respects with GAAP and the audited financials of Sutter Health.

c. If CPMC intends to construct a new capital project in the City during the Term that is not part of the Project, then CPMC shall provide OEWD with prior notice and meet and confer with OEWD, for a period of not less than sixty (60) days, to discuss the timing and potential impacts of the capital project on CPMC's Total Operating Expense.

14. Notices.

All notices under this Exhibit F shall be delivered in accordance with Section 13.11 of the Agreement, provided that any notice to the City shall also be made to the DPH at the following address, or such other address as may be substituted by the City from time to time:

DPH Director
101 Grove Street
San Francisco, CA 94102-4593

ATTACHMENT 1
TO
EXHIBIT F

Innovation Fund Grant Agreement

This Innovation Fund Grant Agreement ("**Innovation Fund Agreement**") is entered into between Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("**CPMC**") and [San Francisco Foundation] ("**Grantee**"), and is further agreed to and accepted by the City and County of San Francisco. Capitalized terms have the meaning set forth in paragraph 1 or as otherwise indicated in this Innovation Fund Agreement.

1. **Definitions.**

(a) Allowable Costs: The costs of Grantee allocable to the Innovation Fund, as set forth in paragraph 9.

(b) City: The City and County of San Francisco, California, a municipal corporation organized and existing under the laws of the State of California.

(c) Committee: The committee of fund advisers described in paragraph 5 of this Innovation Fund Agreement.

(d) Innovation Fund: The amount contributed by CPMC pursuant to paragraph 3.

(e) Innovation Fund Balance: The amount equal to the Innovation Fund adjusted to reflect (i) increases by investment earnings, and (ii) decreases by investment losses, disbursements to healthcare providers pursuant to this Innovation Fund Agreement ("**Disbursements**"), and Allowable Costs.

(f) Development Agreement: That certain Development Agreement Relating to the Construction and Reconstruction of Health Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan By and Between the City and Sutter West Bay Hospitals dated _____, 2012.

(g) Project: The CPMC project as contemplated by the CPMC Long Range Development Plan and as generally described in Exhibits B-1 to B-5 of the Development Agreement.

2. **Purpose.** The contributions made to Grantee pursuant to this Innovation Fund Agreement shall be used as a designated fund to enhance the performance and improve the sustainability of community based service providers in the City, in accordance with the terms set forth in this Innovation Fund Agreement.

3. **Innovation Fund**. Subject to the conditions set forth below and provided that the Development Agreement has not previously been terminated, CPMC shall contribute to the Grantee the total amount of Twenty Million Dollars ($20,000,000) in two (2) installments to be held as a designated fund by Grantee. The Innovation Fund contributions shall be made as follows: Three Million Five Hundred Thousand Dollars ($3,500,000), within thirty (30) days of the Effective Date, as defined in the Development Agreement, and Sixteen Million Five Hundred Thousand Dollars ($16,500,000), within thirty (30) days of the date Approvals are Finally Granted, as defined in the Development Agreement. Notwithstanding the foregoing, nothing in this Innovation Fund Agreement shall be construed as a binding pledge to Grantee enforceable by Grantee.

4. **Investment Instructions**. The Innovation Fund and Innovation Fund Balance shall be invested with a ten (10) year horizon for Disbursements as described in paragraph 6(b). Grantee shall exercise final control of the investment of the Innovation Fund Balance pursuant to Grantee's investment policy and the provisions of this paragraph 4.

5. **Committee of Fund Advisors.**

(a) There shall be a committee of Innovation Fund advisors (the "**Committee**"). The Committee shall consist of three members: (i) one representative of the City, (ii) one representative of CPMC, and (iii) one representative of Grantee. The Committee shall have the duties specified in this Innovation Fund Agreement and shall provide to the Grantee advice regarding the Disbursements to be made from the Innovation Fund, including the rate, schedule and allocation of Disbursements and the terms, goals and purposes thereof, without liability of any kind or character to any person on account of such advice. Every effort will be made to reach a consensus on any such advice from the members of the Committee and Grantee. If a consensus is not reached, the City and CPMC shall, through the Committee, nevertheless provide a single report to the Grantee conveying the view of each of the Committee members, and Grantee shall have the authority to make final Disbursement decisions after considering such report. Subject to the foregoing right of the Committee to provide advice regarding Disbursements, Grantee shall exercise final control of the Disbursement of the Innovation Fund Balance pursuant to the terms of this Innovation Fund Agreement. Except where in this Innovation Fund Agreement notice is specified to be provided by a specific party, Grantee may rely on a written notice from City or CPMC, as members of the Committee, and shall have no obligation to investigate whether any such written instruction or notice is agreed to by any other member of the Committee, or is consistent with the obligations of CPMC or the City to any party other than Grantee. All Disbursements must be approved by the Board of Trustees of the San Francisco Foundation.

(b) Each year, no less than sixty (60) days after the close of Grantee's annual accounting period, Grantee shall prepare and provide to each member of the Committee, a written accounting of the Innovation Fund Balance, principal and earnings of the Innovation Fund for the preceding year, and Innovation Fund Disbursements.

(c) Grantee shall maintain records as part of its accounting system to account for all Disbursements, costs and expenses for a period of not less than four (4) years following

the date of such Disbursements, costs or other expenditures, and annually make records available to City and CPMC as provided herein and upon request.

6. **Annual Disbursements.**

(a) Grantee shall annually distribute a portion of the Designated Fund Balance to third-party health care providers/recipients and others through a grant application process approved by CPMC and City, in an amount and for such purposes as are consistent with the purposes of the Innovation Fund as described herein.

(b) The annual grant Disbursements shall be scheduled and allocated in such manner so as to maintain sufficient Innovation Fund Balance so that Disbursements may be provided for ten (10) years. The first Disbursements shall be made within one (1) year of the contribution of the Innovation Fund, as determined by the Committee and Grantee as provided above.

(c) Grantee shall confer with the Committee and obtain Disbursement advice from CPMC and City through the Committee prior to making a Disbursement commitment in accordance with Section 5(a), above. Grantee shall impose restrictions and/or conditions on grant Disbursements as necessary to ensure accountability for use of funds and to monitor effectiveness.

(d) City and CPMC shall have no right to challenge the appropriateness or the amount of any Disbursement provided it is consistent with the procedures and purposes identified herein.

7. **Initial Program Goals and Allocation**. The initial program goals and Innovation Fund allocation guidelines for Disbursements are as follows:

(a) Support and improve the capacity of community clinics to increase their participation in managed Medi-Cal programs, including, but not exclusive to, the creation of a new MSO or expansion of existing MSOs, development of care management capabilities, implementation and integration of evidence-based chronic disease management and team-based care models, investment in electronic medical records, participation in the San Francisco Health Information Exchange and developing organizational partnerships between CPMC and existing community clinics and support for provision of specialty medical services (approximately 75%); and

(b) Provide infrastructure support for community-based health and human services providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including community-based behavioral health care service providers (approximately 25%).

In implementation of the program goals related to MSOs, the Committee will consult with third-party subject matter experts, in health care delivery in a managed care environment, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals; and

These initial program goals and allocation guidelines are subject to change as determined in accordance with Section 5, above.

8. **Termination of This Innovation Fund Agreement.**

(a) Termination by Grantee. If at any time Grantee (i) fails to qualify as an organization described in Internal Revenue Code Section 501(c)(3), (ii) ceases to exist, or (iii) determines, in its sole judgment, that any restriction or condition in this Innovation Fund Agreement has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served, then Grantee shall provide notice to CPMC and City and then transfer the entire Innovation Fund Balance within forty-five (45) days to a successor nonprofit charitable trust, fund, foundation or corporation which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3) and that meets with the approval of CPMC and City.

(b) Termination of Development Agreement. CPMC or City shall notify Grantee no later than ten (10) days after any termination of the Development Agreement between CPMC and City prior to the expiration of its Term. In such event, CPMC shall cease to be a member of the advising Committee, and Grantee shall continue to administer the Innovation Fund Balance in accordance with this Agreement.

9. **Allowable Costs**. The costs of establishing the Innovation Fund, investment expenses, management fees for professional managers and advisors (whether the Innovation Fund Balance is separately managed or co-mingled with an endowment pool containing other funds) plus [%] for overhead costs of Grantee, shall be charged against the Innovation Fund. If co-mingled, the Innovation Fund Balance shall bear not more than its proportionate share of the fees and costs.

10. **Notice.**

(a) Procedure. All formal notices to a party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, or by overnight courier delivery, to such party's mailing address. The respective mailing addresses of the parties are, until changed as hereinafter provided, the following:

GRANTOR:

Grant Davies
Executive Vice President
California Pacific Medical Center
2351 Clay Street, 7th Floor
San Francisco, CA 94115

with a copy to:

Michael Duncheon
VP & Regional Counsel

West Bay Region Office of the General Counsel
Sutter Health
633 Folsom Street, Seventh Floor
San Francisco, CA 94107

GRANTEE:

[San Francisco Foundation
225 Bush Street, Suite 500
San Francisco, CA 94104
Attention _____]

(b) Notices and communications to members of the Committee shall be given in the manner provided herein at the addresses above, unless otherwise provided by each such member.

(c) Notices and communications with respect to technical matters in the routine performance and administration of this Innovation Fund Agreement shall be given by or to the appropriate representative of a party by such means as may be appropriate to ensure adequate communication of the information, including written confirmation of such communication where necessary or appropriate. All formal notices under this Innovation Fund Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by courier, on the delivery date or attempted delivery date shown on the return receipt or courier records. Any notice which a party desires to be a formal notice hereunder and binding as such on the other party must be given in writing and served in accordance with this paragraph.

(d) Change of Notice Address. A party or member of the Committee may change its, his or her mailing address at any time by giving formal written notice of such change to the other party (or both parties in the case of a member of the Committee) and each member of the Committee in the manner provided in this paragraph at least ten (10) days prior to the date such change is effected.

11. **Obligations of Grantee.**

(a) In addition to any other reports or notices required by this Innovation Fund Agreement, and until otherwise notified by CPMC or City that the requirement has or will be satisfied by the accounting provided pursuant to Section 5(b) above, Grantee shall submit to CPMC and City full and complete annual reports on the manner in which the principal and income (if any) arising from the Innovation Fund Balance have been allocated or Disbursed, and such annual reports shall be due no later than 60 days after the close of Grantee's annual accounting period.

(b) Grantee shall maintain records of receipts and expenditures and shall make its books and records relating to this Innovation Fund available to CPMC and City at reasonable times.

(c) Grantee shall not use any portion or proceeds from the Innovation Fund:

(1) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)),

(2) to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)),

(3) to make any grant to an individual or to another organization unless such grant shall be specifically described in paragraph 6, 7 or 8 hereof,

(4) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

(d) Grantee shall notify CPMC and City of any organizational changes during the term of the grant, including, but not limited to, any changes in the office of President or CEO and Treasurer or CFO, changes in the Grantee's tax-exempt status, and any event that is a disqualification event described in Section 8(a).

12. **Miscellaneous**. This Innovation Fund Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into between California residents and wholly to be performed in California. This Innovation Fund Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Innovation Fund Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

13. **Time**. Time is of the essence of this Innovation Fund Agreement and of each and every term and condition hereof. "Days" shall mean calendar days. In the event that any period of time to perform an obligation or notice period under this Innovation Fund Agreement ends on a Saturday, Sunday or state or national holiday, the applicable time period shall be extended to the next business day.

IN WITNESS WHEREOF, the undersigned have executed this Innovation Fund Agreement on the dates indicated.

CPMC	**GRANTEE**
Sutter West Bay Hospitals, a California nonprofit public benefit corporation, dba CPMC	[San Francisco Foundation], a California nonprofit public benefit corporation
By: _____	By: _____
Its: _____	Its: _____
Dated: _____	

Dated: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney
City and County of San Francisco

AGREED AND ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Its: _____

Dated: _____

EXHIBIT G

Housing Program

CPMC shall make contributions for housing as described in this Housing Program, including: (1) $4,138,620.00 to replace the total of 25 residential hotel and dwelling units that will be demolished as part of the Project, (2) $29,000,000.00 to assist in the production of affordable rental housing, and (3) $29,000,000.00 to create a downpayment assistance program for CPMC's low and moderate income employees, all as set forth below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit G.

1. **Residential Hotel Unit Replacement**

   a. All section references in this Section 1 only are to San Francisco Administrative Code Chapter 41, the Residential Hotel Unit Conversion and Demolition Ordinance ("**Residential Hotel Ordinance**").

   b. The Cathedral Hill MOB site contains twenty units that are designated as residential hotel units under Chapter 41. The units are as follows: six at 1034-1036 Geary Street and 14 at 1028-1030 Geary Street (collectively, the "**Residential Hotel Units**"). Section 41.12 requires a project sponsor to obtain a permit to convert a residential hotel unit before demolishing or converting it to another use. Before issuing a permit to convert, DBI must confirm that the project sponsor has complied with the one-for-one residential hotel unit replacement requirements of Section 41.13. Section 41.13(a)(4) allows a project sponsor to comply with this requirement by paying to MOH a fee equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition cost, as determined by the Department of Real Estate ("**DRE**") based on two independent appraisals. DRE obtained the required appraisals and, by letter dated September 7, 2010, established the total fee for the Residential Hotel Units as Two Million Six Hundred Eighty Four Thousand Eight Hundred Dollars ($2,684,800.00) ("**Residential Hotel Unit Replacement Fee**").

   c. The obligation to pay the Residential Hotel Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the permit to convert for the Residential Hotel Units or (ii) the Effective Date. Upon such payment CPMC shall have satisfied the requirements of Section 41.13(a)(4). MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Hotel Unit Replacement Fee. Following payment by CPMC, the Residential Hotel Unit Replacement Fee shall not be refundable.

2. **Residential Unit Replacement**

The Cathedral Hill MOB site contains one residential unit at 1034-1036 Geary Street and four residential units at 1054-1060 Geary Street (collectively, the "**Residential Units**"). San Francisco Planning Code Section 317 requires conditional use approval for the demolition of three or more residential units, but does not require unit replacement. The City, acting through MOH, and CPMC, have agreed to a unit replacement fee of One Million Four Hundred Fifty Three Thousand Eight Hundred and Twenty Dollars ($1,453,820.00) for the Residential Units ("**Residential Unit Replacement Fee**"). The Residential Unit Replacement Fee is based on the Citywide inclusionary housing fee schedule for three one bedroom units ($248,210.00 x 3), one two bedroom unit ($334,478.00) and one three bedroom unit ($374,712.00). The obligation to pay the Residential Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the demolition permit for the Residential Units and (ii) the Effective Date. MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Unit Replacement Fee. Following payment by CPMC, the Residential Unit Replacement Fee shall not be refundable.

3. **Affordable Housing Payment**

a. CPMC will pay Twenty Nine Million Dollars ($29,000,000.00) ("**Affordable Housing Payment**") to the City, to be deposited in a separate account within the Affordable Housing Fund to be administered by MOH and used for predevelopment and development expenses and administrative costs associated with acquisition, construction, or rehabilitation of permanently affordable rental housing units in San Francisco. The obligation to make the Affordable Housing Payment arises and is payable by CPMC as follows: (i) Three Million Three Hundred and Fifty Thousand Dollars ($3,350,000.00) on the Effective Date; (ii) Ten Million Six Hundred Fifty Thousand Dollars ($10,650,000.00) on the earlier of the Commencement of Construction of the Cathedral Hill Hospital or the date that the Approvals are Finally Granted; and (iii) Seven Million Five Hundred Thousand Dollars ($7,500,000.00) annually on each anniversary of the date that the payment was due and owing under (ii) above until the Affordable Housing Payment is made in full. Once any installment of the Affordable Housing Payment is made, such payment shall be nonrefundable. To any amount due under subsection (ii) and (iii) CPMC shall add a Fee Deferral Surcharge, equal to the total amount due multiplied by the increase in the San Francisco Annual Infrastructure Construction Cost Inflation Estimate as published by the Office of the Controller each year for the period between the Effective Date and the date that the payment is made, compounded annually and prorated for any partial year. At CPMC's election, exercised in its sole and absolute discretion, CPMC may make the Affordable Housing Payment specified in subsection (iii) earlier than the required dates set forth above, and the amount of Fee Deferral Surcharge due shall be based on the date of payment.

b. MOH shall have the right, in its sole discretion, to determine how and where to apply the Affordable Housing Payment, with the only restriction being that MOH must use the Affordable Housing Payment for predevelopment and development expenses and administrative costs associated with the acquisition, construction or rehabilitation of affordable housing units in San Francisco as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco. MOH shall maintain records as part of the City's accounting system to account for all expenditures from the Affordable Housing Payments for a period of four (4) years following the date of expenditure, and make such records available upon request.

4. **CPMC Workforce Housing Downpayment Assistance Loan Program**

a. Workforce Housing Downpayment Assistance Loan Program Account. Upon receipt of the initial CPMC DALP Payment as defined and set forth in Section 4.b of this Exhibit, the City shall establish a CPMC Workforce Housing Program Downpayment Assistance Account ("**CPMC DALP Account**") as part of the Affordable Housing Fund, to be used by MOH to administer a CPMC Downpayment Assistance Loan Program ("**CPMC DALP**") generally in accordance with the CPMC Downpayment Assistance Loan Program Manual attached as Schedule A to this Exhibit ("**CPMC Manual**"), as modified from time to time to reflect permitted changes to the CPMC DALP in accordance with Section 5 of this Exhibit. The purpose of the CPMC DALP is to provide downpayment assistance to Qualified CPMC Employees as defined in Section 4.d of this Exhibit and for no other purpose (except for permitted uses described in Section 4.g of this Exhibit). Once the CPMC DALP Account is established, MOH shall promptly commence and thereafter continue administration of the CPMC DALP consistent with the CPMC Manual for a period of eight (8) years (i.e., until the eighth (8th) anniversary of the first payment of the CPMC DALP Payment) (the "**End Date**"). All of MOH's costs in administering the CPMC DALP, including related homeownership counseling for CPMC borrowers and outreach to CPMC employees, shall be paid from the CPMC DALP Account, payable to MOH consistent with the process established in the CPMC Manual. MOH will charge a one (1) percent fee on each loan to cover costs associated with administering the CPMC DALP as described above.

b. CPMC Contributions to City for CPMC DALP Account. CPMC will pay to MOH Twenty Nine Million Dollars ($29,000,000.00) (the "**CPMC DALP Payment**") for the CPMC DALP Account. CPMC's obligation to make the CPMC DALP Payment arises and is payable as follows: (i) Five Million Eight Hundred Thousand Dollars ($5,800,000.00) on the earlier of the date that the Approvals are Finally Granted or Commencement of Construction of the Cathedral Hill Hospital; and (ii) Five Million Eight Hundred Thousand Dollars ($5,800,000.00) annually thereafter on each anniversary of the date that the first payment under clause (i) above is made until the CPMC DALP Payment is made in full. To any amount due under clause (ii) above CPMC shall add a Fee Deferral Surcharge equal to the total amount due multiplied by the increase in San Francisco Annual Infrastructure Construction Cost Inflation

Estimate as published by the Office of the Controller each year for the period between the date that the Approvals are Finally Granted and the date that the payment is made, compounded annually and prorated for any partial year. The calculation of the Fee Deferral Surcharge shall be made as set forth in Section 3 of this Exhibit. Any remaining funds in the CPMC DALP Account at the end of a given year shall be retained for use in future years until the End Date. If there is excess demand for CPMC DALP funds in a given year, then CPMC may, in its sole and absolute discretion, advance the next year's payment or such portion thereof to reduce the excess demand.

c. Accounting and Record-Keeping. MOH shall maintain the CPMC DALP Account as a segregated interest-bearing account, with any interest earned or amounts lost to remain in the account and used exclusively for the purposes set forth in this Section 4 of this Exhibit until the End Date, at which time such funds shall be governed by Section 4.g of this Exhibit. MOH shall maintain books and records to account for all revenues and expenditures from the CPMC DALP Account and make all such records available to CPMC upon request for a period of four (4) years following the date of expenditure.

d. Modifications to City's DALP Program. Unless separately defined herein or in the Agreement, initially capitalized terms in this Section 4.d of this Exhibit shall have the meaning and content set forth in the CPMC Manual. For the CPMC DALP, the following requirements apply:

i. To qualify for assistance under the CPMC DALP Account, a Borrower must (A) be a Qualified CPMC Employee as defined below, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan, and (B) meet the Borrower eligibility requirements of the City's DALP, modified as follows: (1) the annual household income cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size, or if such index is no longer published by HUD, then the alternative index used by MOH for its other downpayment assistance loan programs; and (2) a Borrower is permitted to have a prior ownership interest in a dwelling unit, commercial real estate or land, provided that any such interest shall have terminated at least three (3) years before the CPMC DALP loan application submittal date.

ii. To be a "**Qualified CPMC Employee**", a Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date. Each Borrower must obtain an employment verification letter from

CPMC or provide a paystub, dated within the past 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall provide the CPMC Representative (defined below) with notice of the application. The CPMC Representative shall notify MOH, within seven (7) days of MOH's notice of the application, if the applicant meets or does not meet the definition of a Qualified CPMC Employee (and if the latter, the reasons therefore). If the CPMC Representative does not respond within seven (7) days, then MOH shall send a second notice to the CPMC Representative. If the CPMC Representative fails to notify MOH that the applicant does not meet the definition of a Qualified CPMC Employee within seven (7) days of the second notice, then such applicant shall be deemed a Qualified CPMC Employee.

iii. The maximum CPMC DALP loan amount to each Borrower is the lesser of Two Hundred Thousand Dollars ($200,000.00) or 45% of the purchase price.

iv. To qualify for assistance under the CPMC DALP Account, a Borrower cannot seek to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

e. CPMC Representative. CPMC shall from time to time by notice to MOH designate a person who may act as its representative for day-to-day administration of the CPMC DALP (the "**CPMC Representative**"). Notice under Section 4.d(ii) of this Exhibit shall be made to the CPMC Representative only. The CPMC Representative as of the Effective Date is _____ [to include address for notice purposes]. MOH shall give periodic progress reports to the CPMC Representative as agreed to by MOH and the CPMC Representative. Until the End Date, the CPMC Representative shall have an opportunity to review each application and MOH commitment letter. If the CPMC Representative fails to raise any objection to the making of a CPMC DALP Loan on a timely basis or notify MOH that a Qualified CPMC Employee status has changed and such person no longer is a Qualified CPMC Employee, then MOH shall have the right to make the loan to such person. Any objection raised by the CPMC Representative must be based upon the rules and requirements of the CPMC Manual and this Exhibit.

f. Consistency with CPMC Manual. The CPMC DALP Account shall be administered by MOH in accordance with the rules and regulations set forth in the CPMC Manual. CPMC acknowledges that the CPMC Manual establishes additional eligibility requirements and underwriting criteria that MOH shall apply in reviewing each

application for downpayment assistance, and agrees that MOH shall have reasonable discretion, consistent with the CPMC Manual, in applying such criteria to all applications for CPMC DALP loans. CPMC shall have no right to challenge the appropriateness or the amount of any CPMC DALP loan approved or rejected, so long as such determination was reasonable; provided MOH agrees to meet with the CPMC Representative upon request to review and discuss any rejected application or any other matter relating to the CPMC DALP.

g. Use of Funds on and After the End Date; Use of Repayment Funds. Any funds remaining in the CPMC DALP Account on the End Date shall be used by MOH in its sole discretion for affordable housing in the City. In addition, any funds that MOH receives from the sale of any residential units by persons that received a CPMC DALP Loan, including but not limited to any shared appreciation in such residential units between the time of purchase and the time of sale, shall be used by MOH in its sole discretion for affordable housing in the City. MOH shall have the right, in its sole discretion, to determine how and where to apply all such funds, with the only restriction being that MOH must use such funds for affordable housing in the City. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco.

5. **Modifications**.

The CPMC DALP may be further modified from time to time as mutually agreed in writing by CPMC and MOH. In addition, MOH may modify the CPMC DALP from time to time to maintain consistency with changes being made to other MOH downpayment assistance loan programs provided that such modifications shall not change the provisions of Section 4.d of this Exhibit or materially alter the rights, benefits or obligations of CPMC employees as set forth in Section 4 of this Exhibit. Prior to modifying the CPMC DALP in accordance with this Section 5, MOH shall provide CPMC notice of the proposed changes and a fifteen (15) day period to meet and confer with respect thereto. Any notice to CPMC under this section shall be made to the address set forth in Section 13.11 of the Agreement, with the CPMC Representative as an additional recipient. The proposed changes shall not be effective until and unless such meet and confer session first occurs unless CPMC provides notice to MOH declining the opportunity to meet and confer, in which case the changes shall be effective as of the date of CPMC's notice.

6. **Board Authorization and Appropriation**.

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes MOH to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate, interest-bearing accounts as contemplated in this Exhibit, and appropriates the funds, including interest earnings and loan repayments, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the account created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund. After the End Date, any loan repayments and interest

earnings shall be deposited into the Affordable Housing Fund, with such expenditures to be authorized by the MOH Director.

Schedule A

CPMC Downpayment Assistance Loan Program Manual

[~~to be~~ attached]

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

CALIFORNIA PACIFIC MEDICAL CENTER

DOWNPAYMENT ASSISTANCE LOAN PROGRAM

(CPMC DALP)

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

Tel. (415) 701-5500
Fax (415) 701-5501
www.sf-moh.gov

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM

Section 1.01 PROGRAM DESCRIPTION

A. INTRODUCTION

The Mayor's Office of Housing (MOH) administers the California Pacific Medical Center (CPMC) Downpayment Assistance Loan Program (CPMC DALP) contained in Exhibit G to the Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, a California nonprofit public benefit corporation doing business as CPMC (Development Agreement). This manual (CPMC DALP Manual) describes the program guidelines and processing procedures for the CPMC DALP. It also establishes the roles and responsibility of the City and County of San Francisco, MOH, the first mortgage lenders and the homeownership counseling agencies. In the event of any conflict between this CPMC DALP Manual and the terms of Exhibit G to the Development Agreement, the terms of Exhibit G shall prevail.

B. DEFINITIONS

1. **Appreciation**: An amount representing the increased value of a property determined by comparing the fair market value (FMV), or sale price of a property at the time of the original purchase with the new FMV or sale price at the time of resale.

2. **Back-end ratio:** The ratio between monthly household income and monthly housing costs plus all payments on long-term installment debt.

3. **Bedroom**: A habitable room with legal ceiling heights, a closet, window and door with direct connection with the living space of the property. Bonus room and finished room will be considered as bedroom, if the room has the above requirements. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required.

4. **Borrower:** For purposes of determining the household income, the income of all persons 18 years and older who will reside in the property will be considered as part of the total income used to determine eligibility within the established limits. Borrower must include a Qualified CPMC Employee. A Co-Borrower will be any additional person included on the deed as the owner or grantee of the residence to be purchased with the CPMC DALP loan.

5. **Director**: Director of the Mayor's Office of Housing, or other official designated by the Mayor of the City and County of San Francisco.

6. **Dependents**: The household members who reside in the property and who are listed as dependents on the Borrowers' income tax returns.

7. **Eligible Household**: To be considered a member of a household, a person must either be (1) on the title and the loan documents for the unit or (2) claimed as a dependent on the tax returns of a household member who will appear on the title and loan for the property. A

household is defined in terms of financial relationships and can include any owner partnerships as long as their combined gross, annual income meets the eligibility guidelines. All household members must be first time homebuyer.

8. **Fair Market Value**: The value of a property based upon the determination of an authorized appraiser mutually acceptable to both the City and the Borrower.

9. **First-time homebuyer**: All Borrowers receiving a CPMC DALP loan must be a first time home buyer. First time home buyer is defined as a Borrower who has not had an ownership interest in a dwelling unit, commercial real estate or land for the last three-year period prior to the CPMC DALP loan application submittal date.

10. **Front-end Ratio:** The ratio between monthly household income and monthly housing cost, including first
mortgage principal, interest, taxes, insurance and homeowner association due (HOA).

11. **Gross income:** The anticipated income of a Borrower or household member for the twelve-month period
following the date of determination of income before tax withholding.

12. **Home**: Any residential property in which a Borrower or any member of a Borrower's household has ever owned as their Principal Residence.

13. **Household Size Compatibility**: The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.

14. **Household Income:** All sources of income from which the Borrower(s) and any other person 18 years of age or older who is expected to live in the residence, receive income including the monthly gross pay; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest, royalties, pensions, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

15. **In-Law Units:** An area within the property that is autonomous from the principal residential area and has been constructed or converted to accommodate a living space for a separate household complete with kitchen and bath.

16. **Loan-to-value-ratio**: The ratio between the amount of all indebtedness likened or to be liened against a property to the appraised value of the property securing the liens.

17. **Liquid Assets:** Liquid assets include all sources of monies from savings, checking accounts or investments held by any occupant of the Borrower's household, including minors and any fund is available to liquidate. Liquid Assets will not include funds held in a pension account,

retirement fund, 401K plan, or similar asset that is not available for purchase of the property or liquidation.

18. **Mayor's Office of Housing ("MOH")**: The office designated by the Mayor to administer the program guidelines and perform required oversight and compliance monitoring of the Regulations established by the Affordable Housing and Home Ownership Program ("Program").

19. **Maximum Purchase Price Limits**: The current maximum purchase limit is $637,645.

20. **Maximum Income Limits**: The CPMC DALP is available to eligible households whose combined annual income of all members 18 or older cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Bay Area as defined by HUD and adjusted for household size. The amounts are adjusted on an annual basis.

21. **Monitoring**: Activities of the Mayor's Office of Housing, which will ensure compliance with the requirement of owner occupancy. Borrowers are required to submit certain documentation on a regular basis to MOH to substantiate their continuing compliance with the Program requirements.

22. **Participating Lender**: Lending institutions that have demonstrated their ability to provide loan origination services and perform other duties within applicable laws and the Regulations.

23. **Primary Financing**: The first mortgage made by a Participating Lender for the purchase of a Principle Residence, which shall be the maximum loan affordable to an eligible Borrower.

24. **Principal Residence:** (1) A Single-Family Residence, (2) condominium or (3) townhouse. It does not include limited cooperatives (such as timeshares), recreational vehicles, campers, or similar vehicles. The Borrower must occupy the Principal Residence substantially for entire term of the loan.

25. **Qualified CPMC Employee**: A Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date.

26. **Purchase Price**: The cost of acquiring a residence, excluding usual and reasonable settlement or financing costs, and excluding the value of services performed by Borrower in completing the acquisition of the residence.

27. **Regulations**: The Regulations for Program as adopted by The Board of Supervisors of the City and County of San Francisco and as amended from time to time.

28. **Rental Units**: Any dwelling unit in which a Borrower maintains an ownership interest and is used, or can potentially be used, as an investment from which they derive rental income from tenants.

29. **SFMSA:** San Francisco Metropolitan Statistical Area.

30. **Single Family Residence:** A single-family one-unit residence intended and used for occupancy by one family household.

31. **Total Transaction Costs:** The cost of the purchase of a home, including the sales price, closing costs and transactional fees.

C. ELIGIBLE USE OF FUNDS

1. CPMC DALP loans will be made from available funding sources identified in Exhibit G, Section 4.b. of the Development Agreement. CPMC DALP loans are to provide down payment assistance to Qualified CPMC Employees who are first time home buyers to purchase their principal residence in San Francisco.

2. CPMC DALP loans are available to households earning not less than 60% nor more than 100% of the area median income (AMI) for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

3. CPMC DALP funds cannot be used to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

D. BORROWER ELIGIBILITY REQUIREMENTS

The following criteria must be met for a Borrower to be eligible for funding under the requirements of the CPMC DALP:

1) Income and Asset Requirements:

A. Maximum Income Limits

The Borrower's annual household income cannot be less than 60% or more than 100% of the area median income for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

Gross Income Includes: All sources of income from which the Borrower and any other person 18 years of age or over, who is expected to live in the residence. Gross income from wages, salaries; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest or dividends earned on assets, royalties, annuities, insurance policies, retirement funds, pensions, disability or death benefits, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

Income Determination:

The Gross Income of a Borrower (or Borrowers) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Use one of the appropriate formulas for full time employment (40 hours) or employment with consistent regular hours or income to arrive at the Borrower's base pay.

The calculation of income based on the gross income on each borrower's three most recent and consecutive pay-stubs. Each household member's income is derived by dividing the year-to-date (YTD) gross income by the current pay period and then by annualizing an estimated pay period amount by the number of times the person is paid in one year.

YTD gross income/current pay period x number of paid a year = Annualized gross income

Example:

Year-to-date income is $20,000 as of the 10th pay period of the year
Estimated pay period amount = $20,000 divided by 10 = $2,000
Total number of pay periods in year for Borrower is 24
Annualized pay = $2,000 x 24 = $48,000

Calculations such as part-time employment with variable hours (or less than 40 hours per week), inconsistent income or hours, overtime, bonuses and commissions, etc., can be calculated using year-to-date income to project the annual income.

A self-employed Co-Borrower can also be considered to have income which varies from month to month. The Co-Borrower gross annual income calculations will be based on the net income before taxes from the Co-Borrower signed, quarterly Profit and Loss Statement. This amount will be divided by the appropriate number of months covered by the Profit and Loss Statement to derive at a monthly income amount. The monthly income amount will be multiplied by 12 to derive the annual income.

A self-employed Co-Borrower must provide:

- Self-employed Affidavit.
- All Profit and Loss statements from the past 3 years
- An estimated Profit and Loss statement for the current year
- Copies of all invoices and payments made to the borrower as a part of self-employment in the current calendar year.

Example:

Year-to-date net income is $32,000 for 5 months on the P/L Statement
Estimated Income amount = $32,000 divided by 5 = $6,400
Total number of the year is 12 months
Annualized Income = $6,400 x 12 = $76,800

A Co-Borrower not employed or not receiving any income must provide:

- ☐ Unemployment Affidavit must be signed and notarized.
- ☐ Unemployment Affidavit must be used in the event that the Borrower is not able to provide the Mayor's Office of Housing with paystubs or other documentation of regular income.

Interest earnings are computed on the net principal of the liquid assets at the current market rate after reduction of downpayment and closing cost requirements as applicable.

Information with respect to gross monthly income may be obtained from available loan documents executed during the four-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into

account in determining gross income is income of the Borrower (and any Co-Borrower) and any other person over 18 years of age who is expected live in the residence being financed. If the Co-Borrower, co-signer or co-habitant meets both requirements in the sentence above, include his/her income in your gross income calculations.

Verification of Employment and other supporting documentation regarding income such as pay stubs should be no more than 60 days old at the time of submission of the CPMC DALP loan application.

B. **Liquid Assets includes:** All source of monies from savings, checking accounts, investments and properties held by any member of the Borrower's household including minors and any fund is available for liquidation to purchase property. Liquid Assets do not include funds held in pension accounts, retirement funds, 401(k) plans, or similar assets which are not available for liquidation without substantial financial penalty to the Borrower. Personal property such as household furnishings, tools of trade or employment, or automobiles are NOT considered liquid assets. Evidence that liquid assets have been transferred to another individual or into an unavailable asset account to avoid use in the purchase will result in disapproval of the Borrower's application. **Combined household liquid assets after purchase of property cannot exceed $25,000.**

As of January 1, 2012 the income limits as follows:

Persons per household	One	Two	Three	Four	Five
60% of AMI	$43,250	$49,450	$55,600	$61,800	$66,750
70% of AMI	$50,450	$57,700	$64,900	$72,100	$77,900
80% of AMI	$57,700	$65,900	$74,150	$82,400	$89,000
90% of AMI	$64,900	$74,150	$83,450	$92,700	$100,150
100% of AMI	$72,100	$82,400	$92,700	$103,000	$111,250

2) **First Time Home Buyer Requirements:** The CPMC DALP funding is available only to those Borrowers who have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date. This includes homes in any geographic location and not limited to property in the City and County of San Francisco. Evidence of compliance with this requirement includes the *First Time Homebuyer Affidavit (CPMC-DALP-4)* ("FTH Affidavit")

Executed copy of this affidavit must accompany each loan application package submit to MOH for loan review. Each party must personally execute *CPMC-DALP Application Form (CPMC-DALP-1)*, all affidavits; no powers of attorney may be used with any of these documents. In addition to this *FTH Affidavit*, the following evidence is required to determine First Time Homebuyer status and must be included with each loan submission file:

a. True, correct and complete signed copies of the Borrower's federal income tax returns as filed with the IRS (or IRS printouts of complete tax returns) for the immediate three years, or

b. An *Income Tax Affidavit (CPMC-DALP-3)* that the Borrower has not been required to file a federal income tax return during one or all of the preceding three years because the

Borrower's gross income was less than the minimum required for filing federal income tax returns. In addition, if the Borrower submits this Affidavit of non-filing, the Borrower must also include additional supporting documentation, including but not limited to verification from the Borrower's landlord, and rental receipts with rental agreements for the year(s) in question. Also, the Borrowers require signing this Affidavit and preceding year W-2 Forms when an application is submitted during the period between January 1 to February 28 and the Borrower has not yet filed his/her federal income tax return for the preceding year with the IRS, and

c. Sign *IRS Form 4506T*-Request for Copy of Tax Return.

3) **Minimum Downpayment Requirement**: Borrower must contribute a minimum of five percent (5%) of the purchase price from the Borrower's own funds toward the down payment of the property. Borrower must have sufficient funds to meet the require down payment, closing cost, necessary reserves and sufficient income to meet the monthly mortgage payments, property tax, homeowner insurance and homeowner association dues.

4) **Primary Financing**: Borrowers who apply for a downpayment assistance loan must be able to qualify for a maximum first mortgage from a Participating Lender for the purchase of a property located in the City and County of San Francisco prior to submitting an application for a downpayment assistance loan. Borrowers must have sufficient funds to meet the required down payment, closing costs, and necessary reserves and sufficient income to meet the monthly housing payments. The CPMC DALP loan must take second lien behind the first mortgages.

Allowable Loan Types: The first mortgage must be 30 year fixed rate and fully amortizing mortgage.

Combined Maximum Loan-to-Value Requirement (CLTV) cannot exceed 95% of the purchase price, which include the first mortgage; the City's Downpayment Assistance Loan and any other borrowed subordinate financing.

Debt to Income Ratio: Borrowers monthly housing debt, including property taxes, property insurance, and if applicable mortgage insurance and homeowner's association dues cannot be less than 33% (front-end-ratio) of the household's gross income. The ratio of monthly housing costs, plus all other household monthly debt (including credit cards, car payments, etc.) cannot exceed 45% (back-end-ratio) of the household's gross income. The back-end-radio cannot exceed more than 5% of the front-end ratio (for example, the front-end ratio is 33%, the back-end-ratio cannot exceed 38%).

Seller credits are allowed to pay for the buyers' non recurring closing costs only and no cash back to buyer. (Funds must be used in escrow.) The seller credit amount cannot exceed the total nonrecurring closing costs.

5) **Homebuyer Education Requirements**: Borrowers must complete the first-time homebuyer education course through one of MOH's 5 approved housing counseling agencies. A certificate of completion of homebuyer education must be included with the application package. For schedule of the homebuyer course, Borrowers may call or visit the housing counseling agencies

website: http://sf-moh.org/index.aspx?page=289 Certifications must have been issued within the last 12 months from the date of the application for downpayment assistance.

6) **Owner-Occupancy Requirement**: Borrowers must meet the following residency requirements throughout the life of the loan in order to comply with the terms of the downpayment assistance loan:

a. The Borrower must occupy the purchased property as their Principal Residence within 60 days after the close of escrow and continuously thereafter, for the term of the loan or until the property is sold.

b. Properties eligible to receive downpayment assistance loans must remain owner-occupied throughout the term of the loan. Compliance monitoring will be performed and documented proof of occupancy required at intervals determined by MOH.

7) **Household Size Compatibility:** At the time of application, the size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit; a three-person household may purchase a three-bedroom unit.

8) **Title Transfer Restriction:** Changes in the title are not permitted. However, deletion of a Borrower or Co-Borrower from title may be allowed in cases of death or divorce.

9) **Non-Discrimination and Privacy Requirements:** All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of Borrowers, and should use the information received only for purposes of verifying the Borrowers' eligibility for a downpayment assistance loan.

10) Employment Verification Letter. Each Borrower must be a Qualified CPMC Employee, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan. Each Borrower must obtain an employment verification letter from CPMC or provide a paystub, dated within the last 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall follow the procedures set forth in Section 4.d.ii of Exhibit G to the Development Agreement for confirming whether the Borrower is a Qualified CPMC Employee.

E. PROPERTY ELIGIBILITY REQUIREMENTS

1. All properties purchased with downpayment assistance loan funds must be single-family residences located in the City and County of San Francisco. The residences must be a single-family, one-unit residence, approved condominiums and townhouses. If the appraisal report indicates there is a bonus room and finished room in the property, the room meets the above bedroom requirements, it will qualify as a bedroom.

2. Sale prices of the property cannot exceed the current maximum purchase price limits established by the MOH Director from time to time. The current maximum purchase price limit is $637,645.

3. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.

4. Properties containing Rental Units and "In-Law" units in addition to the unit to be purchased are not eligible for a CPMC DALP loan.

5. Borrower cannot purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

6. **Inspection Report Requirement for CPMC DALP** - All properties purchased with CPMC DALP downpayment assistance loan program must be inspected by a certified, independent third party home inspector at the Borrower's expense. The inspection report must be acceptable to the Borrower and submitted to MOH along with the CPMC DALP application. All reported deficiencies that pose immediate health and safety hazard must be corrected as a condition prior to any funding of a CPMC DALP Loan. The City of San Francisco will not be held liable for any misrepresentation, false claims or information contained in the inspection report. The City of San Francisco maintains the right to deny the loan, due to the condition of the property. If the first mortgage lender is requiring repairs to the property, you must include a copy of the clearance report prior to close of escrow.

   Violations or corrections may be referred to the Mayor's Office of Housing's Lead and Rehabilitation department for evaluation and program qualification - please visit MOH's rehabilitation website for program requirements – http://sf-moh.org/index.aspx?page=744

   All Borrowers must submit a signed and notarized of **General Release and Waiver of Liability** form along with the CPMC DALP application.

E. LOAN TERMS

All downpayment assistance loans must meet the following terms:

1. **Maximum Loan Amount**: The maximum eligible loan cannot exceed the lesser of the following amounts:

   (a) The Purchase Price of the property less the sum (i) of the maximum mortgage for which the Borrower can qualify.

   (b) Maximum CPMC DALP loan amount is up to $200,000 or 45% of the Purchase Price, whichever is less. Qualifying loan amounts are based upon a graduated scale

depending on income levels, adjusted by household size and debt to income ratio. At no time shall the CPMC DALP funds exceed 45% of the total Purchase Price. The maximum loan available per household depends on the household's income in relationship to the Area Median Income (AMI).

2. **Repayment:** The Downpayment Assistance Loan is deferred for forty (40) years from the date of the initial purchase or until the sale of the property or the rental of the property without the prior approval of the City (in accordance with specified temporary rental guidelines). As of the closing date of the sale or rental occurs, the loan is due and payable. The payoff amount due by Borrower is the principal amount of the loan plus the proportional share of the appreciation of the property.

The proportional share shall be based on the ratio of the original downpayment assistance loan amount to the Purchase Price of the property or the fair market value of the property at the time of purchase; whichever is higher (both called hereafter the "Purchase Price"). At the time that the property is sold, rented, refinance or title transfer (except where title transfer is permitted under Section D.8), the City will determine the value of the property at that time (hereafter the "sale price") . The value of the property at sale is the contracted sale price or the Fair Market Value at the time of refinance.

The amount of appreciation is determined by subtracting the original purchase price to the Borrower at the time of purchase from the sales price or fair market value at the time of sale or rental or refinance. The fair market value shall be the sales price or the appraised value of the property at the time of repayment, whichever is higher. If the property value has not increased, the Borrower shall be obligated to repay the principal amount of the loan only.

Example of share of appreciation: If the Borrower receives the CPMC DALP loan in the amount of $200,000 with the purchase price of $450,000, the proportional share appreciation would be 44%.

$200,000 CPMC DALP Loan Amount	=	**44% of share Appreciation**
$450,000 Purchase Price		

3. **Prepayment Penalty:** There is no prepayment penalty associated with payment of these loans prior to the due date (sale or rental). However, prepayment must be in full; the loan cannot be partially repaid. If there if a prepayment, the amount due and owing will be determined by appraisal (to determine the amount of appreciation) reasonably acceptable to the MOH Director.

4. **Documentation and Security:** The following documents shall be executed by the Borrower to secure the loan after satisfaction of all requirements for funding:

a. **Loan Commitment Letter** – ratified by Borrower, accepting the loan terms and conditions, expires in 45 days from the date of the commitment.

b. **Deed of Trust** - executed at the close of the sale by the Borrower, for the benefit of the City and County of San Francisco to secure the Promissory Note.

c. **Promissory Note** - executed at the close of the sale by the Borrower for the benefit of the City and County of San Francisco and secured by the Deed of Trust.

5. **Compliance with Federal, State and Local Laws and Ordinances:** Program funds shall be used in accordance with Federal, State and Local Laws, regulations and directives as they apply.

G. GENERAL LOAN REQUIREMENTS AND POLICIES:

1. **Hazard Insurance:** For the life of the loan, each Borrower will be required to maintain hazard insurance, including fire and extended coverage with a loss payable endorsement to the City and County of San Francisco.

2. **Title Insurance Policy:** The outstanding principal balance of the downpayment assistance loan must be covered by an ALTA Lender's Policy of Title Insurance naming the City and County of San Francisco as it interests appear.

3. **Non-Discrimination and Privacy Requirements:** All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of the Borrowers, and should use the information received only for purposes of verifying the borrowers' eligibility for a downpayment assistance loan. It should be noted that all borrowers to the downpayment assistance program are subject to the requirements of the Sunshine ordinance and may have any records provided to the City become a matter of public information upon appropriate request.

H. SAMPLE CALCULATIONS OF ELIGIBILITY:

The following examples illustrate the possible scenarios of funding eligibility for various CPMC DALP amounts given the variables in levels of income, household size, property price, Available Assets, and primary loan amount.

Example :

Total Combined income for a family HH of 3 at 60% AMI:	$55,600
Purchase price of a property:	$450,000
Borrower Down Payment -5%	$22,500
First Mortgage – 51%	$227,500
CPMC DALP Loan Amount - 44%	$200,000
Interest Rate:	4.25%
Term:	30 yr
Total Front-End Ratio:	33.51%
Total CLTV:	95.00%

I. SAMPLE CALCULATION OF REPAYMENT OBLIGATION

The following examples illustrate the possible repayment scenarios at resale or refinance:

Example :

New FMV or Resale Price:	$500,000
Original Purchase Price:	(450,000)
Appreciation:	$ 50,000
Computation of City's Proportional Share City CPMC DALP ($200,000) / Original Sale Price ($450,000):	44%
Share of Appreciation 44% x $50,000:	$22,000
80% of the Share of Appreciation	$17,600
Original Principal Amount of CPMC DALP Loan:	$200,000
TOTAL REPAYMENT AMOUNT DUE:	$217,600

J. LENDER'S PROGRAM PROCEDURES

Eligible Borrowers apply for downpayment assistance loans through Participating Lenders. Participating Lenders may submit applications only after determining that the Borrower is eligible for a first mortgage and appears to be eligible for the CPMC DALP. Borrowers' applications must be completed and submitted with all required attachments, including a ratified purchase agreement for the purchase of a specific property.

The program's processing procedures are designed to coincide with the standard loan processing and underwriting procedures that are in place at most mortgage lending institutions. Recognizing that there are procedural variations among the lenders, the procedures outlined herein may vary somewhat from lender to lender. However, the lender, the City and the Borrower must complete all the steps of processing described in this manual.

The Mayor's Office of Housing will act as the Program Administrator. If the City habitually receives incomplete or incorrect applications from a particular lender, the City may discontinue the use of the lender as participating in the program.

CPMC DALP PROGRAM PROCESS

1. **Borrower's Responsibilities:**

❑ Borrower will be required to complete an approved first-time homebuyer education course. A copy of Homebuyer Education Certificate must be included with the application package.

- ☐ Enters into a purchase agreement.
- ☐ Applies to a Participating Lender for Primary Mortgage Loan.
- ☐ Provides a signed and dated Loan Application for a Downpayment Assistance Loan (CPMC DALP-1)
- ☐ Provides a signed and notarized copy of Income Tax Affidavit (CPMC-DALP 3)-if applicable
- ☐ Provides a signed and notarized copy of Unemployed Affidavit-if applicable
- ☐ Provides a signed and notarized copy of the First Time Homebuyer Affidavit (CPMC DALP-4).
- ☐ Provides a signed and notarized copy of the General Release and Waiver of Liability.
- ☐ Provides a signed Homeownership Counseling Consent Form
- ☐ Provides income verification documentation as required by the guidelines to establish program eligibility.
- ☐ Provides proof of Qualified CPMC Employee status
- ☐ Self-employed Co-Borrowers must provide a signed and notarized copy of Self-Employed Affidavit.
  - All Profit and Loss statements from the past 3 years (Schedule C)
  - A notarized estimated Profit and Loss statement for the current year
  - Copies of all invoices and payments made to the Co-Borrower as a part of self-employment in the current calendar year.
- ☐ Upon approval of downpayment assistance loan, the Borrower signs a copy of the City's loan commitment letter indicating acceptance.

2. **Lender's Responsibilities:**

* Lender will ensure that participating loan officers receive training from MOH on a regular basis, and keep current on the products available to first time, low-moderate income homebuyers
* Lender receives an application from a Borrower who has undergone counseling from a Homebuyer Education Counseling Agency
* If a Lender receives an application from a Borrower who does not possess a Homebuyer Education Counseling Certificate, Lender will refer Borrower to a counseling agency to complete the workshop before submitting an application to the City
* Lender will work with Borrower and counseling agency to apply for all available subsidies and programs for which the Borrower qualifies.
* Performs Standard Lender underwriting process.

Submits to the City:

THE APPLICATION PACKAGE MUST BOUND IN LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

- ☐ Program Application received from Borrower *[CPMC-DALP 1]*
- ☐ Fully executed Lender's Certification *[CPMC-DALP 2]*
- ☐ Borrower's household income verification documentation (three current and consecutive pay stubs or provide a copy of current Profit and Loss Statement if self employed.
- ☐ Last three years of Federal Income Tax Returns (signed and dated), along with corresponding schedules and W-2s.
- ☐ Income Tax Affidavit (if applicable) *[CPMC-DALP 3]*
- ☐ First Time Homebuyer Affidavit *[CPMC-DALP 4]*
- ☐ Homebuyer Education Certificate
- ☐ Provides proof of Qualified CPMC Employee status
- ☐ Financial Statements (declaration of Assets)

- ☐ Gift letter (if applicable)
- ☐ Sign IRS Form 4506T.
- ☐ Preliminary Title Report
- ☐ Wire Instructions
- ☐ Receipt for Escrow Deposit
- ☐ Ratified Sales Agreement (including all counter offers).
- ☐ A copy of Inspection or Contractor Report of the Property
- ☐ The General Release and Waiver of Liability.
- ☐ Fair Market Value Appraisal
- ☐ First mortgage loan application (1003)
- ☐ First Mortgage Approval Letter and 1008 form from Lender
- ☐ A Copy of Good Faith Estimate (GFE) or Estimated Settlement Statement (HUD-1)
- ☐ A copy of Borrower's Credit Report

3. **City Responsibilities:**

- Reviews loan package to ensure completeness of forms and substantiating documentation.
- Evaluates Borrower eligibility.
- MOH will forward a letter of approval (commitment letter) or denial to the lender (via email) within 10 working days of receipt of completed package. From the day of commitment, we will need another 7 working days for funding.
- Borrower must sign the commitment letter and return to the City within 5 working days.
- After we receive the commitment letter back, we will email the escrow instructions and loan documents to the title company.

The following closing documents must deliver to MOH for review before funding:

- The executed original City notes (CPMC DALP Note);
- Certified copy of the executed City deeds (CPMC DALP Deed);
- Certified copy of the Grant Deed;
- Certified copy of the Requested for Copy of Notice of Default;
- Certified copy of the First Deed of Trust;
- Certified copy of the First Note;
- Certificate of homeowner insurance Policy;
- An estimated HUD-1 Settlement Statement; and
- Any other liens behind the City loans.

All the above requested documents must deliver 4 working days in advance before request for funding.

Funds will be wired to the escrow account after we receive all closing documents requested in item 4 by 11 a.m., the fund will be wired in the 4th working days. If we receive the closing documents after 11 a.m. the fund will be wired on the 5th working day.

* Funding as specified in the commitment letter will be placed on reserve for a period of 45 days from date of the commitment. . If for any reason, escrow cannot close within the commitment period, the Mayor's Office of Housing need to be notified immediately.

* Monitors Borrowers throughout the life of the loan to ensure compliance with residency requirements.

All loan packages will be processed by the City according to the date of receipt. All required documents must be included in the application package. Incomplete packages will delay the processing of the application and may be returned for completion.

MOH's approval is final, if the first mortgage loan amount & term changes before close escrow, additional documents must be submitted to City for reassessment of the CPMC DALP loan amount.

CPMC-DALP# 12-_____
For MOH use only

MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
TRANSMITTAL FORM

YOU MUST BOUND THE APPLICATION IN A LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

A completed Transmittal Form Must Accompany Each Application

Property Address:	Name of Borrowers:
_____	_____
_____	_____

The following documents are enclosed as indicated by [X], all CPMC-DALP forms must include original signatures:

Left side of the folder:

- ☐ Preliminary Report (top)
- ☐ Ratified Purchase Agreement
- ☐ Wire Instructions
- ☐ Receipt for Escrow Deposit
- ☐ First Loan Application-1003 Form signed and dated by the borrower
- ☐ Underwriting Summary-1008 Form
- ☐ First Loan Approval/Commitment
- ☐ Copy of Good Faith Estimate (GFE) or Estimated HUD-1
- ☐ Copy of borrower's credit report
- ☐ Inspection or contractor report of the property
- ☐ Fair Market Appraisal (bottom)
- ☐ CPMC-DALP Transmittal Form (top)
- ☐ The CPMC-DALP application fee check for $_____(cashier's check)
- ☐ CPMC-DALP -1 Loan Application
- ☐ CPMC-DALP -2 Lender's Certification
- ☐ CPMC-DALP -3 Income Tax Affidavit (Must be submitted when applying from Jan 1 through Feb. 28 in lieu of tax return for previous year)
- ☐ CPMC-DALP -4 First Time Homebuyer Affidavit
- ☐ Proof of Qualified CPMC Employee status
- ☐ HomeownershipSF Consent Form
- ☐ Homebuyer Education Certificate
  - O Asian, Inc.
  - O MEDA
  - O CCCSSF
  - O SFHDC
  - O SFLGBT Center
- ☐ Borrower(s) three most current & consecutive pay stubs or VOE
- ☐ Unemployed Affidavit (if applicable)
- ☐ Self-Employed Affidavit (if applicable)
- ☐ Signed and dated-Profit and Loss Statement
- ☐ Complete set of past three year tax returns (signed and dated):
  - O 2011 + ___W2 Forms,
  - O 2010 + ___W2 Forms,
  - O 2009 + ___W2 Forms.
- ☐ Form 4506 – Request for copy of Tax Return.
- ☐ Last 3 months Bank Statements.
- ☐ Gift Letter (if applicable)
- ☐ General Release and Waiver of Liability

Right side of the folder:

LENDER NAME: _____ EMAIL ADDRESS: _____

BRANCH ADDRESS: _____

SUBMITTED BY -NAME: _____ TITLE: _____

SIGNATURE: _____ DATE: _____

TELEPHONE: _____ FAX: _____

CPMC-DALP Transmittal Form
Revised: 6.5.2012

CPMC-DALP-1

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP LOAN APPLICATION

PROPERTY ADDRESS_____ No. of Bedrooms: _____
(Property to be purchased)

1. NAME OF BORROWER_____
OCCUPATION _____
S.S. # _____
HOME TEL. # _____
WORK TEL. # _____
Email:_____

2. NAME OF CO-BORROWER _____
OCCUPATION _____
S.S. # _____
HOME TEL. # _____
WORK TEL. # _____
Email:_____

3. **Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other _____
(Optional, for Statistical purposes)

4. **Co-Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other _____
(Optional, for Statistical purposes)

5. **Household Size**_____ 6. **Head of Household: Female** ___ **Male** _____ 7. **Age of Head of Household** _____

8. **Name, Age and Relationship of all persons or dependents other than named borrowers who will occupy the residence:**

Name	Age	Relationship to Borrower	Dependent for Tax Purpose? (Y/N)

9. **CURRENT ADDRESS:** _____
City State Zip Code

10. **PREVIOUS ADDRESSES** (If residing at the current address for less than 3 yrs., complete the following):

Address	Date of Residency Beginning Ending	Indicate whether was owned, rented or "other"*

* All answers of "owned" OR "other" must be fully explained; use additional paper if necessary.

11. **INCOME** (Gross Annual Income)

Income Sources	Borrower	Co-Borrower	Other HH Members over 18	Total
Base Employment Income				$
Overtime				
Commissions/Bonuses				
Interest/Dividends				
S. S. Payment/Pension				
Child Support/Alimony				
Other Income				
Total Household Income	$		$	$

CPMC-DALP-1

12. DETAIL OF PURCHASE

A. Purchase Price	$		
B. Est. Closing Costs			
C. Est. Prepaid Escrow			
Total (A+B+C)	$		
D. Amount of First Mortgage	( )		
E. Amount Requested From City Not to exceed $200,000 or 45% of purchase price whichever is less	( )		
F. Other Financing	( )		
G. Other Credits (explain)	( )		
H. Amount of Cash Deposit	( )		
I. Cash from Borrower	$		

13. ASSETS

Description (List Checking & Savings accounts below)	Cash or Market Value
Checking or Savings Account #	$
Name of Bank, S & L, or Credit Union	
Address	
Checking or Savings Account #	
Name of Bank, S & L, or Credit Union	
Address	
Stocks & Bonds (Num. No./Description)	
SUBTOTAL LIQUID ASSETS	
Other Assets	

14. DECLARATIONS

(please circle the answers below)

	Borrower		Co-Borrower	
• Are you Qualified CPMC Employee?	Yes	No	Yes	No
• Have you ever owned any property as a principal residence?	Yes	No	Yes	No
• Do you intend to occupy the property within 60 days of close of escrow?	Yes	No	Yes	No

If you answer "yes" to any of the following questions, please provide explanation.
(If necessary, attach additional paper)

• Are there any outstanding judgments against you?	Yes	No	Yes	No
• Have you been declared bankrupt within the past 7 years?	Yes	No	Yes	No

15. ACKNOWLEDGMENT AND AGREEMENT

THE UNDERSIGNED SPECIFICALLY ACKNOWLEDGE (S) AND AGREE (S) THAT: 1) THE LOAN REQUESTED BY THIS APPLICATION WOULD BE SECURED BY A SECOND DEED OF TRUST ON THE PROPERTY DESCRIBED HEREIN, 2) THE PROPERTY WILL BE USED SOLELY AS THE PRINCIPAL RESIDENCE OF THE UNDERSIGNED, 3) ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF OBTAINING A CALIFORNIA PACIFIC MEDICAL CENTER DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP) LOAN FROM THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWLINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF A CPMC-DALP LOAN OR WILL BE A DEFAULT UNDER A CPMC-DALP LOAN, AS APPLICABLE.

Borrower's Signature _____ Date _____ Co-Borrower's Signature _____ Date _____

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-2

LENDER'S CERTIFICATION OF BORROWER ELIGIBILITY

1. _____ ("Lender") states the following:

The Lender has accepted and reviewed the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") application for:

_____ (Borrower's Name)
Who shall be referred to as "Borrower(s)"

_____ (Co-Borrower's Name)
Who shall be referred to as "Co-Borrower(s)"

_____ (Current Address)

_____ (City, Zip Code)

2. The application was made in connection with Borrower(s) for a first mortgage loan for the purchase of a Principle Residence home (the "Residence") located at:

_____ ***San Francisco, CA*** _____.
(Street Address of Residence to be purchased)

3. The Lender is considering a mortgage loan to the Borrower(s) in the amount of $_____.

4. The Lender has obtained the Borrower's Application Affidavit, true, complete and signed copies of Borrower's federal tax returns for the three-year period prior to _____ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is _____ bedroom single-family home, townhouse/condominium (please circle one) located in the City and County of San Francisco and is reasonably expected to become the Borrower's principal residence within sixty (60) days after the escrow is closed.

5. The purchase price for the residence is $_____ and said amount is within CPMC-DALP limits.

6. The Borrower(s) is/are first time homebuyer, the Borrower(s) has not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

7. The mortgage loan which the Borrower(s) will receive will not be used for acquisition or replacement of an existing mortgage on the residence.

8. No person who is a related person to the Borrower has an interest as a creditor in the mortgage loan to be made for acquisition of the Residence.

9. The Borrower's gross annual household income as defined below is $_____, which amount is within CPMC-DALP income limits. (Gross income listed should match income noted on Application Affidavit). Verification of income is attached.

10. The Lender has not directly or indirectly attempted to prohibit the Borrower(s) from seeking a mortgage loan from any potential lender, nor attempted to require the Borrower to seek a mortgage loan from a specific lender.

11. The Lender has charged the Borrower(s) only those reasonable fees as would be charged to a potential borrower applying for a mortgage loan not provided in connection with a CPMC-DALP loan.

12. Based upon reasonable investigation, the Lender has no reason to believe that the Borrower(s) has made any negligent, fraudulent or material misstatements in connection with the Borrower's application for a CPMC-DALP loan.

13. The Borrower has a good credit history. The lender had read and verified the Borrower's credit report, and has included a copy of the borrower's credit report with the CPMC-DALP application.

By:_____ Title:_____
(Signature of Lender Representative)

_____ Date:_____
Print Name

Attached: _____Current Paystubs or Income Verification

_____Proof of Qualified CPMC Employee status

_____Profit and Loss Statement (self-employed)

_____Completed set of Past 3 year Tax Returns and W-2 Forms

Other_____

INCOME DETERMINATION

The gross income of a Borrower (or Borrowers) (as defined by Revenue Ruling 88-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (or Borrowers) and any other person over 18 years of age who is expected to live in the residence being financed. Income includes the income of both spouses.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-3

INCOME TAX AFFIDAVIT

1. I (We) the undersigned, being first duly sworn, state the following:

   (Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)

2. _____ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) _____ for the reason(s)below:

   Please supply documentation supporting the above explanation.

3. _____ I (We) hereby certify that the application in connection with which I (we) am (are) applying for a loan is occurring between **January 1 and February 28**, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (we) have for 20_____ was $_____ and do not exceed the income limits for the CPMC-DALP, attached is copy of the last paystub or W-2 form for prior tax year.

   (Check Paragraph 3 only if the closing for the financing in connection with your application for California Pacific Medical Center Downpayment Assistance Loan Program (CPMC-DALP) loan will occur between January 1 and February 28 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for a CPMC-DALP loan. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a CPMC-DALP loan may constitute a federal violation punishable by a fine and/or denial of my (our) application for a CPMC-DALP loan, or, if a loan has been funded prior to discovery of the false statement will constitute a default under the CPMC-DALP loan and my (our) loan is immediately due and payable, which may be in addition to any criminal penalty imposed by law.

_____ _____ _____
Date of Application Signature of Applicant Signature of Applicant

---

State of California
County of _____)

On _____before me, _____.
(Here insert name and title of the officer)

Personally appeared _____.

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

Income Tax Affidavit-(CPMC-DALP-3)
Revised: 8/8/2012

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-4

FIRST TIME HOMEBUYER AFFIDAVIT

I (we) understand that I (we) am (are) eligible for the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco only if I (we) individually as Borrower(s) and any resident member of the household as defined by the CPMC-DALP Guidelines are "First Time Homebuyers". In order to qualify as a First Time Homebuyer, I (we) or any resident members of my household have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually; or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.

I (We) certify that I (we) are "First Time Home Buyers" consistent with the above guidelines and definitions as of

_____ (date of application)

_____ _____
Signature of Applicant Signature of Applicant

****

State of California

County of _____)

On _____before me, _____,
(Here insert name and title of the officer)

Personally appeared _____.

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

FTH Affidavit (CPMC-DALP-4)
Revised: 8/8/2013

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

HOMEOWNERSHIP COUNSELING CONSENT FORM

The Mayor's Office of Housing requires every adult household member applying for a City administered homeownership assistance program, in connection with the purchase of a residential unit, to:

1. Attend Pre-Purchase Homeownership workshop(s) for a cumulative minimum of 6 hours.
2. Meet with a counselor, from one of the City's participating, non-profit housing counseling agencies, to receive a one-on-one counseling session (see www.homeownershipsf.org for current list of approved housing counseling agencies.)
3. Receive a Certificate of Completion once requirements 1 and 2 noted above are completed.

I/We understand the Certificate of Completion requirement is in place to ensure first-time homebuyers are educated about the eligibility criteria and policies of the various City administered homeownership assistance programs AND:

- Assessing readiness to buy a home
- Financing a home
- Maintaining a home and finances
- Budgeting and credit
- Selecting a home
- Home-buying process

I/We understand and authorize the Mayor's Office of Housing, its participating non-profit housing counseling agencies and HomeownershipSF to exchange information about my application, including information about my/our final settlement statement, which shall be used for statistical information or funder reports only.

I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for additional services including post purchase counseling which includes budgeting, home maintenance and foreclosure prevention topics. I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for referral/counseling services in case of any financial hardship or loan default.

Name as it will appear on Title:	Signature(s):	Date:

Property to be purchased: (Enter N/A if not yet identified)

Street No.	Street Name:	Unit No.:	San Francisco, CA	Zip code:
			San Francisco, CA	

1 S. Van Ness Ave.- San Francisco, California 94103 - (415) 701-5500 FAX (415) 701-5501

GENERAL RELEASE AND WAIVER OF LIABILITY

I hereby acknowledge that I am applying for California Pacific Medical Center-Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing.

By participating in this program, I hereby waive any right to recover from, and forever release and discharge City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with, any injury, loss or damage to any person or property in or about the property located at _____, San Francisco, CA 94_____, that I am about to purchase (the "Property") by or from any cause whatsoever including, without limitation, (i) any act or omission of persons performing work on the Property; (ii) any act or omission of persons occupying adjoining premises or any part of the building adjacent to or connected with the Property, (iii) theft, (iv) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (v) Property defects, and (vi) any other acts, omissions or causes.

In connection with the foregoing release, I expressly waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

I hereby assume full responsibility for all liability and all risk of injury or loss, in connection with the Property.

I affirm that the information I have provided is true; that I have reviewed the rules and regulations of the CPMC-DALP. I further understand that the City and County of San Francisco reserve the right to take appropriate civil and/or criminal action against me for any proven fraudulent use of this CPMC-DALP.

I agree that I have read and understand this General Release and Waiver of Liability.

Print Name: _____ Signature: _____ Date: _____

Print Name: _____ Signature: _____ Date: _____

State of California
County of _____)

On _____ before me, _____
(Here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Notary Seal)
Signature of Notary Public

EXHIBIT J

List of Approvals

I. PROJECT-WIDE[‡]

A. Environmental Impact Report

1. Planning Commission

a. Certification of an Environmental Impact Report for the Project (Motion No.——— 18588, adopted ———April 26, 2012).

b. Adoption of CEQA Findings (including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program) (Motion No.——— 18589, adopted ————April 26, 2012).

2. Board of Supervisors

a. Affirming the Certification of an Environmental Impact Report for the Project (Motion No._____, adopted_____, 2012).

B. Development Agreement

1. Planning Commission

Approval and Recommendation to Board Regarding Development Agreement, Including Modifications to Administrative Code Chapter 56 (Resolution No. ——18602, adopted ——April 26, 2012).

2. Board of Supervisors

Approval of Development Agreement, Including Modifications to Administrative Code Chapter 56 (Ordinance No.___, adopted _____, 2012)

3. Municipal Transportation Agency Board

Approval and Authorization of Executive Director to Execute Consent to Development Agreement (Resolution No. ————12-604, adopted ————May 1, 2012)

C. Other

1. Planning Commission

[‡] ~~Including General Plan and Section 101.1 consistency determinations, as applicable.~~

Adoption of Findings of Consistency with the General Plan and Planning Code Section 101.1 for the Project (Motion No. 18592, adopted April 26, 2012).

II. ST. LUKE'S CAMPUS

A. Planning Commission

1. Recommending Approval of Amendment to General Plan Urban Design Element Height and Bulk Maps (Resolution No. 18590, adopted April 26, 2012).

2. Recommending Approval of Amendment to Planning Code Text and Amendments to Planning Code Height and Bulk District Map and Planning Code Special Use District ("SUD") Map (Resolution No. 18593, adopted April 26, 2012).

3. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the St. Luke's Campus (Motion No. 18594, adopted April 26, 2012).

4. Allocation of Office Space for St. Luke's MOB under Planning Code Sections 321 and 322 (Motion No. 18595, adopted April 26, 2012).

5. Approval of General Plan Referral for Street Vacation for a Portion of San Jose Avenue Between 27th Street and Cesar Chavez Street, Sidewalk-Widening Legislation (Motion No. 18596, adopted April 26, 2012).

B. Department of Public Works

1. Findings and Recommendation of Order of Street Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Order No. 180254, dated May 11, 2012).

2. Endorsement and Recommendation of Approval of Sidewalk Widening Legislation (Order No. 180164, dated April 16, 2012).

3. Approval of a Lot Line Adjustment Merging Vacated San Jose Avenue Parcel and Existing St. Luke's Campus Parcels (Order No. ____, dated _____, 2012).

4. Approval of Street Tree Removal Permit (Order No. ____, dated _____, 2012).

C. Metropolitan Transportation Agency Board

1. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. ~~——~~12-064, adopted ~~——~~May 1, 2012).

D. Board of Supervisors

1. Ordering the Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Ordinance No.____, adopted _____, 2012).

2. Approving San Jose Avenue Transfer Agreement for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Resolution No. _____, adopted _____, 2012).

3. Amendment of General Plan Urban Design Element Height and Bulk Maps (Ordinance No.____, adopted _____, 2012).

4. Amendment of Planning Code Text (Ordinance No.____, adopted _____, 2012).

5. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. ____, adopted _____, 2012).

6. Approval of Sidewalk-Widening Legislation (Ordinance No. _____, adopted _____, 2012).

III. CATHEDRAL HILL CAMPUS

A. Planning Commission

1. Recommending Approval of ~~Amendment~~Amendments to General Plan Van Ness Area Plan Text and ~~Recommending Approval of Amendment~~ to General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Resolution No. ~~——~~18591, adopted ~~——~~April 26, 2012).

2. Recommending Approval of Amendment to Planning Code Text and Amendment to Planning Code Height and Bulk District Map and Planning Code SUD Map (Resolution No. ~~——~~18597, adopted ~~——~~April 26, 2012).

3. Approval of a Conditional Use Authorization for the Cathedral Hill Campus (Motion No.~~——~~ 18598, adopted ~~————~~April 26, 2012).

4. Allocation of Office Space for Cathedral Hill MOB under Planning Code Sections 321 and 322 (Motion No.—18599, adopted—April 26, 2012).

5. Approval of General Plan Referral for Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) and Sidewalk-Widening Legislation (Motion No.—18600, adopted—April 26, 2012).

B. Department of Public Works

1. Approval of Lot Line Adjustment Merging Two Parcels Under Cathedral Hill Hospital (Order No.____, approved _____, 2012).

2. Approval of Parcel Map merging Seven Parcels under Cathedral Hill MOB (Order No.____, approved _____, 2012).

3. Endorsement and Recommendation of Approval of Sidewalk-Widening Legislation (Order No. ——180165, approved ——April 16, 2012).

4. Endorsement and Recommendation of Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tank, Cedar Street Improvements) (Order No.—— 180262, approved ——May 15, 2012).

5. Approval of Street Tree Removal Permit (Order No. _____, approved _____, 2012).

C. Municipal Transportation Agency Board

1. Approval of Cedar Street Conversion West of Cathedral Hill MOB Entrance from One-Way to Two-Way (Resolution No. ——12-064, adopted ——May 1, 2012).

2. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. ——12-064, adopted ——May 1, 2012).

D. Department of Building Inspection

1. Permit to Convert residential hotel units (approved _____, 2012).

E. Board of Supervisors

1. Amendment of General Plan Van Ness Area Plan Text (Ordinance No.___, adopted _____, 2012).

2. Amendment of General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Ordinance No.___, adopted _____, 2012).

3. Amendment of Planning Code Text (Ordinance No. _____, adopted _____, 2012).

4. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. _____, adopted _____, 2012).

5. Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) (Resolution No._____, approved _____, 2012).

6. Approval of Sidewalk-Widening Legislation (Ordinance No. _____, adopted _____, 2012).

IV. DAVIES CAMPUS

A. Planning Commission

1. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the Davies Campus (Motion No. ~~____~~18601, adopted ~~_____~~April 26, 2012)

B. Department of Public Works

1. Approval of a street tree removal permit (approved ____, 2012).

Summary Report: Litera Change-Pro ML 6.5.0.341 Document Comparison done on 6/20/2012 2:51:36 PM	
Style Name: Default Style	
Original Filename:	
Original DMS:iw://CPDBIWOVEN/WorkSite/2066714/1	
Modified Filename:	
Modified DMS: iw://CPDBIWOVEN/WorkSite/2089977/1	
Changes:	
Add	54
~~Delete~~	50
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Total Changes:	104

EXHIBIT K

Transportation Program

The Transportation Program includes payments to the San Francisco Municipal Transportation Agency ("**SFMTA**") to: (1) contribute to the cost of construction of the Proposed Van Ness and Geary Bus Rapid Transit improvements; (2) to address transit delay impacts on MUNI of the New Cathedral Hill campus; and (3) support SFMTA's bicycle circulation studies, as described below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit K.

1. BRT Contribution

a. CPMC will pay Five Million Dollars ($5,000,000) to SFMTA to contribute to the cost of construction of the proposed Van Ness Avenue Bus Rapid Transit and the Geary Corridor Bus Rapid Transit improvements to be located adjacent to the New Cathedral Hill Campus (collectively, the "**BRT**"). The Five Million Dollar ($5,000,000) BRT contribution will be paid as follows: (a) Two Million Dollars ($2,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2014; (b) Two Million Dollars ($2,000,000) on or before thirty (30) days after the later of the date the Approvals are Finally Granted and July 30, 2015; and (c) One Million Dollars ($1,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2016.

b. SFMTA shall use the BRT contributions for hard or soft costs of planning, administration and construction associated with the BRT improvements to be constructed or installed in the Geary/Van Ness public rights of ways adjacent to the Cathedral Hill Campus. CPMC shall have no obligation for BRT costs above the BRT contribution set forth above. The City shall be responsible for all costs associated with the BRT improvements undertaken by the City that exceed this contribution, provided that City shall have no obligation to construct any specific BRT improvements or to spend any City funds thereon beyond the BRT contributions made by CPMC.

c. SFMTA shall have the right, in its sole discretion, to determine how and where to apply the BRT contribution, with the only restriction being that SFMTA must use the funds for BRT purposes as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for BRT purposes as set forth above.

2. SFMTA Fee

a. CPMC will pay a fee to the SFMTA (the "**SFMTA Fee**") as set forth in this section, in addition to any parking fees, charges, taxes or assessments levied on vehicles or their owners parking in the Cathedral Hill Hospital and Cathedral Hill MOB garages that CPMC will be required to collect on behalf of the City. The SFMTA Fee will be Fifty Cents ($0.50) for each vehicle entry and each vehicle exit during off-peak hours, and Seventy-Five Cents ($0.75) for each vehicle entry

and each vehicle exit during peak hours. The SFMTA Fee, whether or not passed on by CPMC to vehicle operators~~[~~, will not be considered "rent" under Section 601 of the San Francisco Business and Tax Revenue Code, and~~]~~ ~~[clarify]~~ shall not be subject to tax. Peak hours shall be weekdays between 7:00 am and 9:00 am and between 4:00 pm and 6:00 pm. The SFMTA Fee program shall be effective for each new garage at the Cathedral Hill Hospital and Cathedral Hill MOB on the date of opening of that garage for public use and operations and continue for 10 years thereafter. Accordingly, the 10-year expiration date shall be different for each garage (assuming that they each open on different dates). The SFMTA Fee shall not apply to deliveries and short term drop-offs, turn-arounds and others provided with a short courtesy entry and exit, but it shall apply to any free parking offered to CPMC employees, contractors or agents.

b. The SFMTA Fee (per vehicle entry and exit) shall increase by six percent (6%) on the second anniversary of the opening of each respective garage for public use and operations, and again by six percent (6%) on each second anniversary thereafter, for so long as the SFMTA Fee is payable.

c. Within fifteen (15) days following the end of each calendar month in which the SFMTA Fee applies, CPMC shall send to SFMTA a statement (the "**Parking Fee Statement**") of the total number of cars entering and exiting the garages, the times of entry and exit (expressed as a total number of vehicles each day that entered and exited during peak hours and off-peak hours), and the total SFMTA Fee for the preceding calendar month, together with payment of the applicable SFMTA Fee payment. The Parking Fee Statement and SFMTA Fee payments shall go to: Director of Finance, San Francisco Municipal Transportation Agency, One South Van Ness Avenue, 8th Floor, San Francisco, California 94103.

d. SFMTA shall have the right to use the SFMTA Fee for any purpose consistent with SFMTA's enterprise.

e. The parties agree to meet and confer, and to cooperate and act in good faith to implement the SFMTA Fee program as described above and to ensure that the appropriate fee amounts are being collected at all times and paid to SFMTA. If necessary, as part of such implementation, SFMTA may require additional reasonable procedures to monitor the collection and payment of the correct fee amounts. CPMC shall require any third party garage operator to maintain appropriate records with respect to the same.

f. CPMC shall maintain books and records for the SFMTA Fee in an accurate manner according to generally accepted accounting principles consistently applied, to allow a proper determination of SFMTA Fee due from CPMC each month. CPMC shall maintain all such books and records for a period of not less than 4 years from the end of each calendar year.

g. CPMC agrees to make its parking garage operation books and records available to City, or to any auditor or representative designated by City, upon no less than

ten (10) days prior written notice to CPMC, for the purpose of examining the books and records to determine the accuracy of CPMC's reporting of the SFMTA Fee. CPMC shall cooperate with the City's auditor during the course of any audit. Any such audit may be conducted, at City's cost, by the City Controller or his or her designee or by an independent accounting firm selected by City. During any such audit, the City and its auditor shall not disrupt CPMC's operations in the garages.

3. **Transit Fee**

For the Near Term Projects, CPMC will pay a transit impact fee to SFMTA in the total amount of Ten Million Four Hundred Fifty-Four Thousand One Hundred Ninety-Eight Dollars and Fifty-Four Cents ($10,454,198.54) ("**Transit Fee**"). The Transit Fees are net of the elimination of prior uses, including the demolition of the existing Cathedral Hill office building on the Cathedral Hill Hospital Site, various retail, office, restaurant, residential and other uses on the Cathedral Hill MOB Site, and the existing St. Luke's Hospital tower on the St. Luke's Campus, respectively. The Transit Fee shall be paid as follows, on the date that is 30 days after:

a. Commencement of Construction of the Cathedral Hill Hospital, Six Million Nine Hundred Seventeen Thousand Five Hundred Fifty-Six Dollars and Thirty-Six Cents ($6,917,556.36);

b. Commencement of Construction of the Cathedral Hill MOB, Two Million Three Hundred Twenty-Six Thousand Four Hundred Forty-Eight Dollars and Fifty-Eight Cents ($2,326,448.58);

c. Commencement of Construction of the St. Luke's MOB, Five Hundred Ninety-Eight Thousand Three Hundred Thirteen Dollars and Eighty Cents ($598,313.80); and

d. Commencement of Construction of the Neurosciences Building on the Davies Campus, Six Hundred Eleven Thousand Eight Hundred Seventy-Nine Dollars and Eighty Cents ($611,879.80).

For the Long Term Projects, to the extent CPMC is subject to and not otherwise exempt from transit-related Impact Fees and Exactions in effect at the time of assessment, any grandfathering exemption arising because of an earlier filed application for environmental evaluation or preliminary project assessment, shall not be considered to apply to a Long Term Project. CPMC shall pay all such transit-related Impact Fees and Exactions.

The Transit Fee is intended to compensate the SFMTA for the cost of providing services needed to mitigate transit delay impacts on MUNI buses associated with the demand generated by the Project as identified in the FEIR. The Transit Fee, and any transit-related Impact Fee and Exaction, are not tied to any particular service or improvement, and CPMC shall have no right to assert or insist upon their use by SFMTA in any particular manner.

4. Bicycle Studies

CPMC shall pay to SFMTA the total sum of Four Hundred Thousand Dollars ($400,000) within thirty (30) days after the Effective Date (the "**Bicycle Studies Contribution**").

SFMTA shall use the Bicycle Studies Contribution, in its discretion, to:

a. Develop preferred bicycle routes between the CPMC campuses, recommend improvements, and to the extent possible improve the quality of existing bicycle facilities;

b. Develop design alternatives for improved bicycle facilities on Polk Street, in the vicinity of the new Cathedral Hill Campus;

c. Develop traffic calming proposals along the 'Wiggle' (i.e., the approximately one-mile zig-zagging bicycle route from Market Street to Golden Gate Park that minimizes hilly inclines) to encourage the safe co-existence of people walking and riding bicycles; and

d. Design traffic calming improvements along 26th Street between Valencia Street and Potrero Avenue to discourage spillover traffic from Cesar Chavez Street and to provide an alternative to Cesar Chavez Street for people walking and riding bicycles.

5. Board Authorization and Appropriation.

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes SFMTA to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate interest bearing accounts as contemplated in this Exhibit, and to appropriate the funds, including interest and earnings, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the accounts created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund.

DRAFT
6/20/2012

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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BOARD OF SUPERVISORS
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2012 JUN 21 PM 4:41

DEVELOPMENT AGREEMENT
RELATING TO THE CONSTRUCTION AND RECONSTRUCTION
OF HEALTHCARE FACILITIES IN FURTHERANCE OF THE CALIFORNIA
PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND SUTTER WEST BAY HOSPITALS

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DEVELOPMENT AGREEMENT RELATING TO THE CONSTRUCTION AND RECONSTRUCTION OF HEALTHCARE FACILITIES IN FURTHERANCE OF THE CALIFORNIA PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND SUTTER WEST BAY HOSPITALS

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") dated for reference purposes only as of this _____ day of _____, 2012, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "**City**"), acting by and through its Planning Department, and SUTTER WEST BAY HOSPITALS, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("**CPMC**"), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the San Francisco Administrative Code. The City and CPMC are also sometimes referred to individually as a "**Party**" and together as the "**Parties**". Capitalized terms not defined when introduced shall have the meanings given in Section 1 below.

RECITALS

This Agreement is made with reference to the following facts:

A. CPMC presently operates medical facilities in San Francisco. The four existing CPMC medical campuses are known as the St. Luke's Campus, the Davies Campus, the Pacific Campus, and the California Campus.

B. Through its operation of its medical facilities, CPMC provides substantial direct and indirect economic benefits to the City. It provides essential health services to people of all ages from diverse ethnic, cultural, geographic, educational and socioeconomic backgrounds. Approximately two-thirds of CPMC's patients live in San Francisco, and CPMC provides healthcare service in connection with approximately 30% of the hospitalizations in San Francisco. CPMC is San Francisco's second largest non-public employer, and fourth largest employer overall, with over 6,000 employees.

C. CPMC must meet certain State seismic safety requirements for hospitals (the "Hospital Seismic Safety Laws", as defined in Section 1 below) in order to continue providing acute-care services in certain of its facilities.

D. CPMC has developed a plan to provide an integrated, modern system of healthcare with medical facilities that would comply with Hospital Seismic Safety Laws on five campuses, including a new campus on Van Ness Avenue known as the Cathedral Hill Campus. CPMC's proposed city-wide system of care would include three state-of-the-art acute care hospitals, increase the number of earthquake safe hospital beds in San Francisco, create 1,500 construction jobs, require expenditures of approximately $2.5 billion in total development costs (including construction costs), retain the over 6,000 existing CPMC jobs and improve healthcare access for San Franciscans.

E. CPMC's 2008 Institutional Master Plan ("**IMP**") describes CPMC's long-range development plan ("**LRDP**"). In 2009, the San Francisco Planning Commission and the Department

of Public Health held hearings on the IMP. On November 19, 2009, the Planning Commission accepted the IMP as in compliance with San Francisco Planning Code Section 304.5. In November 2011, CPMC filed an IMP Update as required by San Francisco Planning Code Section 304.5. The Project described in this Agreement is consistent with the IMP, as updated.

F. The Project proposed by CPMC includes Near-Term Projects (as described in Exhibit B-1 through Exhibit B-3), which generally include the following: (i) on the St. Luke's Campus, a new replacement hospital, renovation and reuse of the 1957 Building, demolition of the existing hospital tower, construction of a new medical office building, and construction of an entry plaza, courtyard and public pedestrian pathway; (ii) on the new Cathedral Hill Campus, a new hospital and medical office building and the renovation and reuse of an existing office/medical office building to full medical office use; and (iii) on the Davies Campus, a new Neuroscience Institute building. The Project also proposes that a portion of the San Jose Avenue right-of-way between Cesar Chavez Street and 27th Street will be vacated by the City and transferred to CPMC for incorporation into the St. Luke's Campus, and that a pedestrian tunnel will be constructed beneath Van Ness Avenue connecting the eastern portion of Cathedral Hill Hospital (at Level P3) to the western portion of the Cathedral Hill MOB (at Level G2).

G. The Project proposed by CPMC also includes Long-Term Projects (as described in Exhibit B-3 and Exhibit B-4), which generally include the following: (i) on the Davies Campus, a new medical office building; and (ii) on the Pacific Campus, an ambulatory care center addition and underground and above-ground parking facilities.

H. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864 *et seq.* (the "**Development Agreement Statute**"), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property. Pursuant to Government Code Section 65865, the City adopted Chapter 56 of the San Francisco Administrative Code [**as amended by _____**] ("**Chapter 56**") establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute. The Parties are entering into this Agreement in accordance with the Development Agreement Statute and Chapter 56.

I. As described in the IMP (as updated) and this Agreement, the Project, if implemented, would enable CPMC to continue to provide high-quality patient care using ground-breaking technology in seismically safe, state-of-the-art acute care hospitals, increasing the number of highest rated earthquake safe hospital beds, retaining and increasing emergency room capacity in San Francisco, and providing critical resources for San Francisco's disaster preparedness. In addition to the significant benefits which the City will realize due to CPMC's proposed Project, the City has determined that as a result of the development of the Project in accordance with this Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Some of the major additional public benefits accruing to the City from the CPMC Project are:

- Rebuild St. Luke's Hospital as an 80 bed General Acute Care Hospital with emergency medical services at a cost of approximately $250 million;

- Implement a workforce development program that includes a first source hiring program for construction and applicable operational activities and a local business enterprise hiring agreement and a Workforce Training Payment of $2 million;

- Implement a Community Healthcare Program including the operation of the rebuilt St. Luke's Hospital and a broad array of contributions and commitments for healthcare services for the poor and underserved;

- Implement a Housing Program that provides substantial funding to replace residential and hotel units as well as over $62 million for affordable housing and down payment assistance funds;

- Implement a public improvement program including funding or providing certain Public Improvements and other Community Commitments; and

- Implement a Transportation Program including substantial funding contributions to the SFMTA.

J. The real property subject to this Agreement is the St. Luke's Campus, the Cathedral Hill Campus, the Davies Campus, the Pacific Campus and the California Campus, all as more particularly described on Exhibit A-1 through Exhibit A-5 (individually, a "**Project Site**" and collectively the "**Project Sites**"). CPMC is the beneficial owner of the Project Sites.

K. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in a way as to fully comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*; "**CEQA**"), the CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*), the Development Agreement Statute, Chapter 56, the Planning Code, the Enacting Ordinance and all other applicable Laws in effect as of the Effective Date. This Agreement does not limit the City's obligation to comply with applicable environmental Laws, including CEQA, before taking any discretionary action regarding the Project, or CPMC's obligation to comply with all applicable Laws in connection with the development of the Project.

L. The Final Environmental Impact Report ("**FEIR**") prepared for the Project and certified by the Planning Commission on April 26, 2012 together with the CEQA findings adopted concurrently therewith (the "**CEQA Findings**"), comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The FEIR thoroughly analyzes the Project and Project alternatives, and the Mitigation Measures were designed to mitigate significant impacts to the extent they are susceptible to feasible mitigation. The information in the FEIR and the CEQA Findings has been considered by the City in connection with approval of this Agreement.

M. On April 26, 2012 the Planning Commission held a public hearing on this Agreement, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission made the CEQA Findings and adopted the Mitigation Measures, and determined that the Project and this Agreement are, as a whole and taken in their entirety, consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended, and the Planning Principles set forth in Section 101.1 of the Planning Code (together, the "**General Plan Consistency Findings**").

N. On _____, 2012 the Board, having received the Planning Commission's recommendations, held a public hearing on this Agreement pursuant to the Development Agreement Statute and Chapter 56. Following the public hearing, the Board made the CEQA Findings required by CEQA and approved this Agreement, incorporating by reference the General Plan Consistency Findings.

O. On _____, 2012, the Board adopted Ordinance No. _____, approving this Agreement, [Ordinance No. _____, **modifying Chapter 56,**] Ordinance Nos. _____ **[placeholder for zoning ordinance, general plan, street vacations, etc.]**, and Ordinance No. _____ authorizing the Planning Director to execute this Agreement on behalf of the City (the "**Enacting Ordinance**"). The Enacting Ordinance took effect on _____, 2012.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

In addition to the definitions set forth in the above preamble paragraph, Recitals and elsewhere in this Agreement, the following definitions shall apply to this Agreement:

1.1 "**Administrative Code**" means the San Francisco Administrative Code.

1.2 "**Affiliate**" means an entity or person that directly or indirectly controls, is controlled by or is under common control with, a Party (or a managing partner or managing member of a Party, as the case may be). For purposes of the foregoing, "control" means the ownership of more than fifty percent (50%) of the equity interest in such entity, the right to dictate major decisions of the entity, or the right to appoint fifty percent (50%) or more of the managers or directors of such entity.

1.3 "**Agreement**" means this Development Agreement, the Exhibits which have been expressly incorporated herein and any amendments thereto.

1.4 "**Applicable Laws**" has the meaning set forth in Section 5.2.

1.5 "**Approvals**" means the City approvals, entitlements, and permits listed on Exhibit J.

1.6 "**Assignment and Assumption Agreement**" has the meaning set forth in Section 11.2.

1.7 "**Board of Supervisors**" means the Board of Supervisors of the City and County of San Francisco.

1.8 "**Cal-DPH**" means the California Department of Public Health.

1.9 "**California Campus**" means that certain real property more particularly described in Exhibit A-5, together with all buildings, structures, fixtures and other improvements located thereon.

1.10 "**Caltrans**" means the California State Department of Transportation.

1.11 "**Cathedral Hill Campus**" means that certain real property more particularly described in Exhibit A-2 (which includes the Cathedral Hill Hospital Site, the Cathedral Hill MOB Site and 1375 Sutter Street), together with all buildings, structures, fixtures and other improvements located thereon.

1.12 "**Cathedral Hill Hospital**" means the new Cathedral Hill Hospital, as more particularly described in Section 1 of Exhibit B-2.

1.13 "**Cathedral Hill Hospital Site**" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill Hospital Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.

1.14 "**Cathedral Hill MOB**" means the new Cathedral Hill Medical Office Building, as more particularly described in Section 3 of Exhibit B-2.

1.15 "**Cathedral Hill MOB Site**" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill MOB Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.

1.16 "**CEQA**" has the meaning set forth in Recital K.

1.17 "**CEQA Findings**" has the meaning set forth in Recital L.

1.18 "**CEQA Guidelines**" means Title 14 of the California Code of Regulations Section 15000 *et seq.*

1.19 "**Chapter 56**" has the meaning set forth in Recital H.

1.20 "**City**" means the City as defined in the opening paragraph of this Agreement. Unless the context or text specifically provides otherwise, references to the City means the City acting by and through the Planning Director or, as necessary, the Planning Commission or the Board of Supervisors.

1.21 "**City Agency**" or "**City Agencies**" means the City departments, agencies, boards, commissions, and bureaus that execute or consent to this Agreement, or are controlled by persons or commissions that have executed or consented to this Agreement, that have subdivision or other permit, entitlement or approval authority or jurisdiction over development of the Project, or any improvement located on or off the Project Sites, including, without limitation, the City Administrator, Department of Public Health, Planning Department, DBI, MOH, OEWD, SFMTA, DPW, and SFFD, together with any successor City agency, department, board, or commission.

1.22 "**City Attorney's Office**" means the Office of the City Attorney of the City and County of San Francisco.

1.23 "**City Costs**" means the actual and reasonable costs incurred by a City Agency in preparing, adopting or amending this Agreement, in performing its obligations or defending its actions under this Agreement or otherwise contemplated by this Agreement, as determined on a time and materials basis, including reasonable attorneys' fees and costs but excluding work, hearings, costs or other activities contemplated or covered by Processing Fees; provided, however, City Costs shall not include any costs incurred by a City Agency in connection with a City Default or which are payable by the City under Section 9.6 when CPMC is the prevailing party.

1.24 "**City Parties**" has the meaning set forth in Section 4.9.

1.25 "**City-Wide**" means all real property within the territorial limits of the City and County of San Francisco, not including any property owned or controlled by the United States or by the State of California and therefore not subject to City regulation.

1.26 "**Commence Construction**" means, with respect to Cathedral Hill Hospital, the Cathedral Hill MOB, the Davies Neuroscience Institute building, the St. Luke's Hospital or the St. Luke's MOB, as applicable, groundbreaking in connection with the commencement of physical construction of the applicable building foundation, but specifically excluding the demolition of existing structures.

1.27 "**Commencement of Exterior Work for St. Luke's Hospital**" means the date on which the first of the exterior panels are set onto the structure for the St. Luke's Hospital.

1.28 "**Commencement of Exterior Work for Cathedral Hill Hospital**" means the date on which the first of the exterior panels or the curtain wall are attached to the structure for the Cathedral Hill Hospital.

1.29 "**Commencement of Foundation Work for St. Luke's Hospital**" means the date on which the drilling of the caissons at subgrade of the excavation commences for the St. Luke's Hospital.

1.30 "**Commencement of Foundation Work for Cathedral Hill Hospital**" means the date on which excavators and/or backhoes begin excavation of dimensioned trenches in which the spread footings will be placed for the Cathedral Hill Hospital.

1.31 "**Commitment Increment**" has the meaning set forth in Section 4.2.4.

1.32 "**Community Commitments**" has the meaning set forth in Section 4.2.4.

1.33 "**Community Healthcare Program**" means the Community Healthcare Program attached hereto as Exhibit F.

1.34 "**Community Visioning Plan**" means the Community Visioning Plan for Long-Term Projects for the Davies Campus, the Pacific Campus and the California Campus attached hereto as Exhibit I-1 through Exhibit I-3.

1.35 "**Complete Construction**" or "**Completion of Construction**" means, with respect to Cathedral Hill Hospital and St. Luke's Hospital, the issuance of a field acceptance by OSHPD.

1.36 "**Completion of the San Jose Avenue CPMC Project**" means the date on which substantial completion of the San Jose Avenue CPMC Project occurs in a manner sufficient to allow for the operation of the relocated facilities from the Former Street Property.

1.37 "**Completion of Exterior Work**" means the date on which substantial completion of the attachment of the exterior panels for the St. Luke's Hospital or the Cathedral Hill Hospital, respectively, occurs.

1.38 "**Compliance Statement**" has the meaning set forth in Section 8.2.1.

1.39 "**CPMC**" has the meaning set forth in the opening paragraph of this Agreement, and shall also include any and all successors and assigns of all or any part of the Project Sites and all Transferees with respect to the portion of the Project Sites owned by each of them.

1.40 "**Davies Campus**" means that certain real property more particularly described in Exhibit A-3, together with all buildings, structures, fixtures and other improvements located thereon.

1.41 "**DBI**" means the San Francisco Department of Building Inspection.

1.42 "**Default**" has the meaning set forth in Section 9.3.

1.43 "**Development Agreement Statute**" has the meaning set forth in Recital H, as in effect as of the Effective Date.

1.44 "**DPW**" means the San Francisco Department of Public Works.

1.45 "**Effective Date**" has the meaning set forth in Section 2.1.

1.46 "**Election Period**" has the meaning set forth in Section 9.4.5.

1.47 "**Enacting Ordinance**" has the meaning set forth in Recital O.

1.48 "**Excusable Delay**" has the meaning set forth in Section 10.6.2.

1.49 "**Existing Standards**" has the meaning set forth in Section 5.2.

1.50 "**Existing Uses**," with respect to each Project Site, means the existing uses of the existing buildings and improvements permitted by Law (and including, without limitation, pre-existing, non-conforming uses under the Planning Code) on such Project Site as of the Effective Date, as the same are modified by the Approvals and any Subsequent Approvals.

1.51 "**Federal or State Law Exception**" has the meaning set forth in Section 5.6.1.

1.52 "**FEIR**" has the meaning set forth in Recital L.

1.53 "**Finally Granted**" means (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any of the Approvals, this Agreement or the FEIR shall have expired and no such appeal shall have been filed, or if such an administrative or judicial appeal is filed, the Approvals, this Agreement or the FEIR, as applicable, shall have been upheld by a final decision in each such appeal without adverse effect on the applicable Approval, this Agreement or the FEIR and the entry of a final judgment, order or ruling upholding the applicable Approval, this Agreement or the FEIR and (ii) if a referendum petition relating to this Agreement is timely and duly circulated and filed, certified as valid and the City holds an election, the date the election results on the ballot measure are certified by the Board of Supervisors in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

1.54 "**Former Street Property**" means that portion of the San Jose Avenue right-of-way between 27th Street and Cesar Chavez Avenue, as more particularly described in the San Jose Avenue Transfer Agreement, vacated in accordance with and subject to the provisions of the Vacation Ordinance and to be transferred to CPMC in accordance with and subject to the provisions of the San Jose Avenue Transfer Agreement.

1.55 "**Future Changes to Existing Standards**" has the meaning set forth in Section 5.3.

1.56 "**GACH Licensing Requirements**" means the requirements for obtaining a license from Cal-DPH for the operation of a General Acute Care Hospital.

1.57 "**GACH Licensure**" means the issuance by Cal-DPH of a license for the operation of a General Acute Care Hospital.

1.58 "**General Acute Care Hospital**" has the meaning set forth in California Health and Safety Code Section 1250(a).

1.59 "**General Plan Consistency Findings**" has the meaning set forth in Recital M.

1.60 "**Hospital Commitment**" has the meaning set forth in Section 4.2.1.

1.61 "**Hospital Seismic Safety Laws**" refers collectively to (i) Senate Bill 1953, (ii) Senate Bill 1661, (iii) Senate Bill 608, and (iv) Senate Bill 90, as may be amended.

1.62 "**Housing Program**" means the Housing Program attached hereto as Exhibit G.

1.63 "**IMP**" has the meaning set forth in Recital E.

1.64 "**Impact Fees and Exactions**" means any fees, contributions, special taxes, exactions, impositions and dedications charged by the City in connection with the development of projects, including but not limited to transportation improvement fees, transit fees, child care requirements or in-lieu fees, housing (including affordable housing) requirements or fees, residential hotel and residential unit replacement requirements or in lieu fees, dedication or reservation

requirements, water and sewer capacity charges, and obligations for on-or off-site improvements. Impact Fees and Exactions shall not include the Mitigation Measures, Processing Fees, taxes or special assessments or school district fees, and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by CPMC as and when due in accordance with applicable Laws.

1.65 "**Losses**" has the meaning set forth in Section 4.9.

1.66 "**Law(s)**" means the Constitution and laws of the United States, the Constitution and laws of the State of California, the laws of the City and County of San Francisco, and any codes, statutes, rules, regulations, or executive mandates thereunder, and any State or Federal court decision (including any order, injunction or writ) thereunder. The term "Laws" shall refer to any or all Laws as the context may require.

1.67 "**Long-Term Projects**" means those Project elements generally described in Exhibit B-3 and Exhibit B-4 as the Long-Term Projects and generally described in Recital G.

1.68 "**Material Change**" means any modification that would materially alter the rights, benefits or obligations of the City or CPMC under this Agreement or which relate to (i) the Term; (ii) permitted uses of the Project Sites; (iii) the Public Benefits; (iv) an increase in density or intensity of uses of the Project Sites; (v) an increase in the maximum height, bulk or size of the Project; (vi) parking ratios; or (vii) provisions for Impact Fees and Exactions.

1.69 "**Medical Rate of Inflation**" has the meaning set forth in Exhibit F.

1.70 "**Milestone**" has the meaning set forth in Section 4.2.3.

1.71 "**Milestone Completion Notice**" has the meaning set forth in Section 4.2.3.

1.72 "**Mitigation Measures**" means the mitigation measures (as defined by CEQA) applicable to the Project as set forth in the MMRP or that are necessary to mitigate adverse environmental impacts identified through the CEQA process as part of a Subsequent Approval.

1.73 "**MMRP**" means that certain mitigation monitoring and reporting program attached as Exhibit D.

1.74 "**Municipal Code**" means the San Francisco Municipal Code.

1.75 "**Near-Term Projects**" means those Project elements described in Exhibit B-1 through Exhibit B-3 as the Near-Term Projects and generally described in Recital F.

1.76 "**Non-City Agency**" or "**Non-City Responsible Agencies**" has the meaning set forth in Section 7.3.1.

1.77 "**Non-City Approval**" has the meaning set forth in Section 7.3.1.

1.78 "**OEWD**" means the San Francisco Office of Economic and Workforce Development.

1.79 "**Official Records**" means the official real estate records of the City and County of San Francisco, as maintained by the City's Assessor-Recorder's Office.

1.80 "**Open**" or "**Opening**" means the date on which the first patients are admitted or treated in, or accepted or transferred to, the Cathedral Hill Hospital or the St. Luke's Hospital, as the context may require.

1.81 "**OSHPD**" means the California Office of Statewide Health Planning and Development.

1.82 "**Pacific Campus**" means that certain real property more particularly described in Exhibit A-4, together with all buildings, structures, fixtures and other improvements located thereon.

1.83 "**Party**" and "**Parties**" has the meaning set forth in the opening paragraph of this Agreement.

1.84 "**Planning Code**" means the San Francisco Planning Code.

1.85 "**Planning Commission**" means the Planning Commission of the City and County of San Francisco.

1.86 "**Planning Department**" means the Planning Department of the City and County of San Francisco.

1.87 "**Planning Director**" means the Director of Planning of the City and County of San Francisco.

1.88 "**Processing Fees**" means the standard fee imposed by the City upon the submission of an application for a permit or approval, which is not an Impact Fee or Exaction, in accordance with the City practice on a City-Wide basis.

1.89 "**Project**" means the CPMC project contemplated by the LRDP as generally described in Exhibit B-1 through Exhibit B-5, which includes the Near-Term Projects and the Long-Term Projects together with CPMC's rights and obligations under this Agreement.

1.90 "**Project Sites**" has the meaning set forth in Recital J.

1.91 "**Public Benefits**" has the meaning set forth in Section 4.1.

1.92 "**Public Health and Safety Exception**" has the meaning set forth in Section 5.6.1.

1.93 "**Public Improvements**" means those improvements more particularly described in Exhibit H.

1.94 "**Revised Work Plan**" has the meaning set forth in Section 4.2.3.

1.95 "**St. Luke's Campus**" means that certain real property more particularly described in Exhibit A-1, together with all buildings, structures, fixtures and other improvements located thereon.

1.96 "**St. Luke's Completion Deadline**" has the meaning set forth in Section 4.2.1(c).

1.97 "**St. Luke's Hospital**" means the 80 bed General Acute Care Hospital with emergency medical services to be constructed on the St. Luke's Campus, as more particularly described in Section 1 of Exhibit B-1.

1.98 "**St. Luke's Liquidated Payment**" has the meaning set forth in Section 9.4.4(b).

1.99 "**St. Luke's Opening Deadline**" has the meaning set forth in Section 4.2.1(e).

1.100 "**St. Luke's Operating Commitment**" has the meaning set forth in Exhibit F.

1.101 "**St. Luke's Trigger Date**" has the meaning set forth in Section 9.4.4(b).

1.102 "**San Jose Avenue City Project**" means the completion of the new storm/sewer line installation work as described in the San Jose Avenue Utility Relocation Contract so as to allow the abandonment of the existing sewer lines in the Former Street Property.

1.103 "**San Jose Avenue CPMC Project**" means (i) the installation of all new utility facilities by CPMC's contractors, other than the San Jose Avenue City Project and (ii) the installation of a fire alarm signal system in the existing St. Luke's hospital, so as to allow the abandonment of the existing utility facilities and fire alarm signal system in the Former Street Property.

1.104 "**San Jose Avenue Transfer Agreement**" means that certain Agreement for Transfer of Real Estate between the Parties dated on or about the date hereof governing the transfer of the Former Street Property to CPMC.

1.105 "**San Jose Avenue Utility Operators**" means those parties that own or operate utility equipment or installations located in the Former Street Property, including: Pacific Gas and Electric Company, with respect to gas and electrical lines; Pacific Bell Telephone Company, dba AT&T California, with respect to telephone lines; Astound Broadband, NextG Networks, and ExteNet Systems with respect to broadband, wireless and cable lines; the San Francisco Public Utilities Commission, Hydraulics Section, with respect to a storm-sewer line; the San Francisco Public Utilities Commission, Water Department, with respect to a water line; and the Department of Technology of the City and County of San Francisco, with respect to fire alarm signal box wires.

1.106 "**San Jose Avenue Utility Relocation Contract**" means that certain work described in Contract Modification No. 1 to the Wastewater Enterprise Contract No. WW-410 Cesar Chavez Street Sewer Improvement Project by and between the City, acting by and through its Public Utilities Commission, and JMP Construction.

1.107 "**Schedule and Phasing Plan**" means the Schedule and Phasing Plan attached hereto as Exhibit C.

1.108 "**SFFD**" means the San Francisco Fire Department.

1.109 "**SFMTA**" means the San Francisco Municipal Transportation Agency.

1.110 "**SFPUC**" means the San Francisco Public Utilities Commission.

1.111 "**SFPUC Capacity Charges**" means all water and sewer capacity and connection fees and charges payable to the SFPUC, as and when due in accordance with then-applicable City requirements.

1.112 "**Subdivision Code**" means the San Francisco Subdivision Code.

1.113 "**Subsequent Approval**" means any other land use approvals, entitlements, or permits from the City other than the Approvals, that are consistent with the Approvals and that are necessary or advisable for the implementation of the Near-Term Projects, including without limitation, demolition permits, grading permits, site permits, building permits, residential hotel permits to convert, lot line adjustments, sewer and water connection permits, encroachment permits, street improvement permits, certificates of occupancy, transit stop relocation permits, subdivision maps, lot mergers and re-subdivisions. A Subsequent Approval shall also include any amendment to the foregoing land use approvals, entitlements, or permits, or any amendment to the Approvals that are sought by CPMC and approved by the City in accordance with the standards set forth in this Agreement. No Approvals or Subsequent Approvals for the Long-Term Projects have been granted as part of this Agreement.

1.114 "**Term**" has the meaning set forth in Section 2.2.

1.115 "**Third-Party Challenge**" has the meaning set forth in Section 7.4.1.

1.116 "**Transferee**" has the meaning set forth in Section 11.1.

1.117 "**Transit Fee**" has the meaning set forth in Exhibit K.

1.118 "**Transportation Program**" has the meaning set forth in Exhibit K. The Transportation Program includes the payments and fees as further described in Exhibit K.

1.119 "**Vacation Ordinance**" has the meaning set forth in Exhibit J.

1.120 "**Vested Elements**" has the meaning set forth in Section 5.1.

1.121 "**Workforce Agreement**" means the Workforce Agreement attached hereto as Exhibit E.

2. EFFECTIVE DATE; TERM

2.1 Effective Date. This Agreement shall take effect upon the later of (i) the full execution and delivery of this Agreement by the Parties and (ii) the date the Enacting Ordinance is effective and operative ("**Effective Date**").

2.2 Term. The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for ten (10) years thereafter unless extended or earlier terminated as provided herein ("**Term**"); provided, however, if a lawsuit challenging this Agreement or the Approvals is initiated the Term shall be extended for the number of days equal to period from the initiation of the lawsuit to the date that this Agreement and the Approvals are Finally Granted.

3. GENERAL REGULATION OF THE DEVELOPMENT OF THE PROJECT

3.1 Development of the Near-Term Projects. CPMC shall have the right to develop the Near-Term Projects in accordance with and subject to the provisions of this Agreement and the City shall consider and process all Subsequent Approvals for development of the Near-Term Projects in accordance with and subject to the provisions of this Agreement. The Parties acknowledge that CPMC has obtained all Approvals from the City required to commence construction of the Near-Term Projects, other than any required Subsequent Approvals or Non-City Approvals, and that CPMC may proceed in accordance with this Agreement with the construction and, upon completion, use and occupancy of the Near-Term Projects as a matter of right, subject to the attainment of any required Subsequent Approvals or Non-City Approvals. CPMC currently anticipates that the Near-Term Projects will be constructed in phases and that the St. Luke's Hospital and the Cathedral Hill Hospital will be constructed generally in accordance with the Schedule and Phasing Plan. Development of the Long-Term Projects is not included as a part of this Agreement, provided any such development during the Term shall be subject to the provisions of Sections 4.5, 5.3 and 5.4.

3.2 Transfer of Former Street Property. In connection with the Project, the City shall vacate and abandon all public rights in the Former Street Property (other than temporary utility easements in favor of the San Jose Avenue Utility Operators, if needed), each in connection with the completion of San Jose Avenue CPMC Project and the San Jose Avenue City Project. The City shall transfer the Former Street Property to CPMC in accordance with the San Jose Avenue Transfer Agreement, subject to all of the terms and conditions set forth therein. If for any reason, other than a CPMC default, the City is unable or unwilling to transfer the Former Street Property to CPMC as and when required under the San Jose Transfer Agreement, CPMC may elect to terminate this Agreement following the meet and confer period in Section 9.2 and the notice and cure period in Section 9.3. CPMC shall commence the San Jose Avenue CPMC Project and will prosecute the San Jose Avenue CPMC Project diligently to completion generally in accordance with the Schedule and Phasing Plan. Upon payment of the Purchase Price under the San Jose Avenue Transfer Agreement, the City shall deliver such payment to MOH and CPMC shall receive a credit against the next Affordable Housing Payment to MOH under Exhibit G in an amount equal to the Purchase Price paid by CPMC to the City.

3.3 Completion of San Jose Avenue City Project. The failure to complete the San Jose Avenue City Project in accordance with the timing set forth in the Schedule and Phasing Plan

may entitle CPMC to a period of Excusable Delay in connection with the Hospital Commitment as set forth in Section 10.6.2. Any abandonment of the San Jose Avenue City Project shall, following the meet and confer process in Section 9.2 and the notice and cure provisions in Section 9.3 (modified so as to give City ninety (90) days to commence to cure), be a City Default.

4. PUBLIC BENEFITS; CPMC OBLIGATIONS AND CONDITIONS TO CPMC's PERFORMANCE

4.1 Public Benefits Exceed Those Required by Existing Ordinances and Regulations. The Parties acknowledge and agree that the development of the Project in accordance with this Agreement provides a number of public benefits to the City beyond those achievable through existing Laws, as more particularly articulated in Recital I, including, but not limited to, the Hospital Commitment and the Community Commitments. The Hospital Commitment and the Community Commitments are collectively referred to as the "**Public Benefits**". The City acknowledges and agrees that a number of the Public Benefits would not be otherwise achievable without the express agreement of CPMC under this Agreement. CPMC acknowledges and agrees that, as a result of the benefits to CPMC under this Agreement, CPMC has received good and valuable consideration for its provision of the Public Benefits, and that the City would not be willing to enter into this Agreement without the Public Benefits. Furthermore, CPMC acknowledges and agrees that CPMC's obligation to perform and complete, and the City's right to enforce in accordance with Section 9, an applicable Public Benefit under this Agreement shall survive the expiration or termination of this Agreement as and to the extent provided in Section 10.4, subject to any conditions expressly set forth in this Agreement for the benefit of CPMC.

4.2 Public Benefits.

4.2.1 Construction and Licensure of St. Luke's Hospital and Cathedral Hill Hospital. CPMC shall provide the following public benefits (collectively, the "**Hospital Commitment**"):

(a) If CPMC Commences Construction of the Cathedral Hill Hospital, then CPMC shall Commence Construction of the St. Luke's Hospital as and to the extent necessary to meet the Milestones and the St. Luke's Completion Deadline.

(b) If CPMC Commences Construction of the St. Luke's Hospital, then for so long as CPMC is pursuing the Completion of Construction of the Cathedral Hill Hospital, CPMC shall diligently pursue the Completion of Construction of the St. Luke's Hospital as and to the extent necessary to meet the Milestones and the St. Luke's Completion Deadline.

(c) If CPMC Completes Construction of the Cathedral Hill Hospital, then CPMC shall Complete Construction of the St. Luke's Hospital. The Completion of Construction of the St. Luke's Hospital shall occur on or before the date of the Completion of Construction of the Cathedral Hill Hospital (the "**St. Luke's Completion Deadline**").

(d) If CPMC completes and satisfies the GACH Licensing Requirements for the Cathedral Hill Hospital, then CPMC shall complete and satisfy the GACH Licensing Requirements for the St. Luke's Hospital. As and when required to meet the St. Luke's Opening Deadline, CPMC shall promptly file all necessary applications required for GACH

Licensure of the St. Luke's Hospital, and thereafter diligently pursue GACH Licensure of the St. Luke's Hospital. If CPMC Opens the Cathedral Hill Hospital, it shall have Opened the St. Luke's Hospital on or before Opening the Cathedral Hill Hospital (the "**St. Luke's Opening Deadline**").

(e) Not less than two (2) years following the Opening of the St. Luke's Hospital, CPMC shall begin to (i) demolish the existing hospital tower located at the St. Luke's Campus and (ii) construct the plaza/pedestrian improvements described in Section 2 of Exhibit B-1. Upon commencement, CPMC shall diligently prosecute such demolition and construction to completion.

4.2.2 Time of Essence. The Parties understand and agree that time is of the essence and that satisfaction of the St. Luke's Completion Deadline, the St. Luke's Opening Deadline and the demolition/construction work described in Section 4.2.1(e) are a material part of this Agreement, of the utmost importance to the both the City and CPMC, and that the City would not be willing to enter into this Agreement without the commitments as set forth in Section 4.2. The Parties also understand and agree that CPMC will incur substantial additional costs in connection with delays in the commencement and completion of construction of the St. Luke's Hospital and Cathedral Hill Hospital, and that CPMC would not be willing to enter into this Agreement without the assurances and commitments given by the City in this Agreement.

4.2.3 Milestones for Completion. In order to keep the City reasonably informed of CPMC's progress in satisfying the Hospital Commitment, CPMC shall periodically report to the City on the timing and progress of the construction of the St. Luke's Hospital and the Cathedral Hill Hospital and promptly provide to the City such information as may be reasonably requested by the City from time to time. In connection with this reporting obligation, CPMC shall provide the City with reasonably detailed project schedules for the St. Luke's Hospital and the Cathedral Hill Hospital before the start of construction, including any change to the Schedule and Phasing Plan, and shall update such project schedules on not less than a quarterly basis. Within thirty (30) days following the completion of each milestone listed in this Section 4.2.3 (each, a "**Milestone**"), CPMC shall provide notice to the City (the "**Milestone Completion Notice**") from CPMC's project manager(s) for the construction of St. Luke's Hospital and Cathedral Hill Hospital, which shall, to the best of such individual's knowledge following reasonable due diligence: (i) confirm the completion of the Milestone, (ii) update the construction schedule for St. Luke's Hospital and Cathedral Hill Hospital and describe any material changes to the schedule and the reasons therefor, (iii) describe any existing or anticipated material delays in meeting the Milestones that follow, and (iv) confirm CPMC's expectation to satisfy the St. Luke's Completion Deadline and the St. Luke's Opening Deadline. If a Milestone Completion Notice describes an existing or anticipated delay in meeting the Milestones that follow, CPMC shall provide a reasonably detailed work program and schedule to show how CPMC intends to meet the Milestones that follow as required to satisfy the St. Luke's Completion Deadline and the St. Luke's Opening Deadline (the "**Revised Work Plan**"). In any Revised Work Plan, CPMC may extend the dates for completion of any Milestone, but shall not have the right to revise the definition of a Milestone. After receipt of a Milestone Completion Notice, CPMC shall meet with the City, promptly after a City request, to discuss any material delays from the Milestone timing set forth in the Schedule and Phasing Plan, and, if applicable, the Revised Work Plan. CPMC's failure solely to meet the Milestone timing set forth in the Schedule and Phasing Plan, in and of itself, shall not be a Default, though failure to comply with the commitments in Section 4.2.1 or the reporting provisions of this Section 4.2.3 shall,

following the meet and confer process in Section 9.2 (as applicable) and the notice and cure provisions in Section 9.3, be a Default by CPMC. CPMC shall send a Milestone Completion Notice in connection with each of the following Milestones:

(a) Completion of the San Jose Avenue CPMC Project as set forth in the Schedule and Phasing Plan;

(b) Commencement of Foundation Work for St. Luke's Hospital, which shall occur before the Commencement of Foundation Work for Cathedral Hill Hospital;

(c) Commencement of Exterior Work for St. Luke's Hospital, which shall occur before the Commencement of Exterior Work for Cathedral Hill Hospital;

(d) Completion of Exterior Work for St. Luke's Hospital, which shall occur before Completion of Exterior Work for Cathedral Hill Hospital; and

(e) Commencement of the demolition work and the construction work, each described in Section 4.2.1(e), which will start not later than two (2) years following the Opening of the St. Luke's Hospital.

CPMC shall also send a notice to the City upon Completion of the St. Luke's Hospital and the Cathedral Hill Hospital, and upon the Opening of the St. Luke's Hospital and the Cathedral Hill Hospital.

4.2.4 Performance of Community Commitments. In addition to the significant public benefits arising from the Hospital Commitment, CPMC shall provide the following additional public benefits (collectively, the "**Community Commitments**"), each of which, to the extent such obligation has arisen, shall be paid and/or performed in increments when and as set forth in the applicable Exhibit referenced below (each such partial payment or partial performance, a "**Commitment Increment**"):

(a) the Community Healthcare Program attached as Exhibit F, which provides for a broad array of contributions and commitments for healthcare services to vulnerable populations and others and includes the St. Luke's Operating Commitment, as further described in Exhibit F;

(b) the Housing Program attached as Exhibit G, which provides substantial funding to replace residential and hotel units and for affordable housing and down payment assistance funds, as further described in Exhibit G;

(c) the Workforce Agreement attached as Exhibit E, which includes a first source hiring program covering both construction and applicable operational activities, a local business enterprise hiring agreement for construction activities, and a local hiring program for applicable operational activities, as further described in Exhibit E;

(d) the funding of certain Public Improvements which may be constructed by the City, the completion of certain Public Improvements to be constructed by CPMC and other Community Commitments as further described in Exhibit H; and

(e) the Transportation Program attached as Exhibit K, which provides for CPMC contributions toward the cost of construction of the transit improvements, addressing transit delay impacts on MUNI from the Cathedral Hill Campus, and supporting SFMTA's conducting bicycle circulation studies, as further described in Exhibit K.

CPMC's obligation to complete the Community Commitments shall survive the termination or expiration of this Agreement until the applicable Community Commitment has been completed as and to the extent set forth in Section 10.4, subject to any conditions expressly set forth in this Agreement for the benefit of CPMC.

4.3 Conditions to Performance of Public Benefits.

4.3.1 Conditions to Hospital Commitment. CPMC's obligation to perform the Hospital Commitment is expressly conditioned upon each and all of the following conditions precedent:

(a) All Approvals shall have been Finally Granted;

(b) The City and any applicable Non-City Agency shall have performed or granted any and all of their respective actions, approvals or authorizations and/or issued such permits or licenses required in order to permit CPMC to: (i) Commence (and, as and when required, to Complete) Construction of the St. Luke's Hospital and the Cathedral Hill Hospital and (ii) Commence Construction (and, as and when required, to complete construction) of the Cathedral Hill MOB, except to the extent that such actions, approvals or authorizations, or permits or licenses, have not been performed or granted due to the failure of CPMC to timely initiate and then diligently and in good faith pursue such actions, approvals, authorizations or issuances; and

(c) CPMC shall have obtained all Subsequent Approvals necessary to: (i) Commence (and, as and when required, to Complete) Construction of the St. Luke's Hospital and the Cathedral Hill Hospital and (ii) Commence Construction (and, as and when required, to complete construction) of the Cathedral Hill MOB, and same shall have been Finally Granted, except to the extent that such Subsequent Approvals have not been obtained or Finally Granted due to the failure of CPMC to timely initiate and then diligently and in good faith pursue such Subsequent Approvals.

Recognizing CPMC's right pursuant to Section 6 not to initiate or complete the Project (other than as and to the extent required pursuant to the Hospital Commitment), CPMC shall take all such actions as are reasonably required of CPMC to satisfy the foregoing conditions including, without limitation, the filing of requests for approvals, permits and authorizations for St. Luke's Hospital, Cathedral Hill Hospital and the Cathedral Hill MOB in a manner as and when needed to satisfy the Hospital Commitment.

4.3.2 Conditions to Community Commitments. CPMC's obligation to perform each of the applicable Community Commitments is expressly conditioned upon each and all of the following conditions precedent:

(a) All of the conditions precedent set forth in the applicable Exhibit describing such individual Community Commitment shall have been satisfied; and

(b) The City and any applicable Non-City Agency shall have performed or granted any and all of their respective actions, approvals or authorizations and/or issued such permits or licenses required in order to permit CPMC to undertake the applicable Community Commitment, except to the extent that such actions, approvals or authorizations, or permits or licenses, have not been performed or granted due to the failure of CPMC to timely initiate and then diligently and in good faith pursue such actions, approvals, authorizations or issuances.

Recognizing CPMC's right pursuant to Section 6 not to initiate or complete the Project (other than as and to the extent required pursuant to the Hospital Commitment), CPMC shall take such actions as are reasonably required of CPMC to satisfy the foregoing conditions including, without limitation, filing of requests for approvals, permits and authorizations as and when needed to perform the Community Commitments.

4.4 Community Visioning Plans. CPMC shall undertake the actions described in Exhibit I-1 through Exhibit I-3 (Community Visioning Plans) regarding the Long-Term Projects at the Davies Campus and Pacific Campus, and the future reuse of the California Campus, as applicable.

4.5 Compliance with CEQA.

4.5.1 No Additional Review Required for Near-Term Projects; Reliance on FEIR for Future Discretionary Approvals. The Parties acknowledge that the FEIR prepared for the Project complies with CEQA. The Parties further acknowledge that (a) the FEIR contains a thorough analysis of the Near-Term Projects and possible alternatives to the Near-Term Projects, (b) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Near-Term Projects, and (c) the Board of Supervisors adopted CEQA Findings, including a statement of overriding considerations in connection with the Approvals, pursuant to CEQA Guidelines Section 15093, for those significant impacts that could not be mitigated to a less than significant level. For these reasons, (i) the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Near-Term Projects vested under this Agreement, and (ii) the City shall rely on the FEIR, to the greatest extent possible in accordance with applicable Laws, in all future discretionary actions related to the Project; provided, however, that nothing shall prevent or limit the discretion of the City to conduct additional environmental review in connection with any Subsequent Approvals or a Long-Term Project to the extent that such additional environmental review is required by applicable Laws, including CEQA.

4.5.2 Compliance with CEQA Mitigation Measures. CPMC shall comply with all Mitigation Measures imposed as applicable to each Project component, except for any Mitigation Measures that are expressly identified as the responsibility of a different party or entity. Without limiting the foregoing, CPMC shall be responsible for the completion of all Mitigation Measures identified as the responsibility of CPMC or the "project sponsor". The Parties expressly acknowledge that the FEIR and the associated MMRP are intended to be used in connection with each of the Approvals and any Subsequent Approvals to the extent appropriate and permitted under applicable Law. Nothing in this Agreement shall limit the ability of the City to impose conditions on any new, discretionary permit resulting from Material Changes to the Near-Term Projects from that described by the Approvals or any Subsequent Approvals as such conditions are determined by the City to be necessary to mitigate adverse environmental impacts identified through the CEQA process

and associated with the granting of such permit or otherwise to address significant environmental impacts as defined by CEQA created by the approval of such permit; provided, however, any such conditions must be in accordance with applicable Law.

4.6 Nondiscrimination. In the performance of this Agreement, CPMC agrees not to discriminate against any employee, City employee working with CPMC's contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

4.7 City Cost Recovery.

4.7.1 CPMC shall timely pay to the City all Impact Fees and Exactions applicable to the Project or the Project Sites as set forth in Section 5.4 of this Agreement.

4.7.2 CPMC shall timely pay to the City all Processing Fees applicable to the processing or review of applications for the Approvals and Subsequent Approvals as set forth in Section 5.4 of this Agreement.

4.7.3 CPMC shall pay to the City all City Costs incurred in connection with the drafting and negotiation of this Agreement, defending the Approvals and Subsequent Approvals as set forth in Section 7.4, and in processing and issuing any Subsequent Approvals or administering this Agreement (except for the costs that are covered by Processing Fees), within sixty (60) days following receipt of a written invoice from the City.

4.7.4 CPMC shall pay to the City all other City Costs incurred during the Term within sixty (60) days following receipt of a written invoice from the City. OEWD shall provide CPMC on a quarterly basis (or such alternative period as agreed to by the Parties) a reasonably detailed statement showing costs incurred by OEWD, the City Agencies and the City Attorney's Office, including the hourly rates for each City staff member at that time, the total number of hours spent by each City staff member during the invoice period, any additional costs incurred by the City Agencies and a brief non-confidential description of the work completed (provided, for the City Attorney's Office, the billing statement will be reviewed and approved by OEWD but the cover invoice forwarded to CPMC will not include a description of the work). OEWD will use reasonable efforts to provide an accounting of time and costs from the City Attorney's Office and each City Agency in each invoice; provided, however, if OEWD is unable to provide an accounting from one or more of such parties OEWD may send an invoice to CPMC that does not include the charges of such party or parties without losing any right to include such charges in a future or supplemental invoice. CPMC shall pay the invoiced amount from OEWD within sixty (60) days following receipt of the invoice. CPMC's obligation to pay the City Costs shall survive the termination of this Agreement. CPMC shall have no obligation to reimburse the City for any City Cost that is not invoiced to CPMC within forty-eight (48) months from the date the City Cost was incurred. The City will maintain records, in reasonable detail, with respect to any City Costs and upon written

request of CPMC, and to the extent not confidential, shall make such records available for inspection by CPMC.

4.7.5 If CPMC in good faith disputes any portion of an invoice, then within sixty (60) days following receipt of the invoice CPMC shall provide notice of the amount disputed and the reason for the dispute, and the Parties shall use good faith efforts to reconcile the dispute as soon as practicable. CPMC shall have no right to withhold the disputed amount. If any dispute is not resolved within ninety (90) days following CPMC's notice to the City of the dispute, CPMC may pursue all remedies at law or in equity to recover the disputed amount.

4.8 Prevailing Wages. CPMC agrees that all persons performing labor in the construction of the Public Improvements shall be paid not less than the highest prevailing rate of wages for the labor so performed as provided under Section 6.22(E) of the Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California, and CPMC shall include this requirement in any contract entered into by CPMC for the construction of the Public Improvements. CPMC and its contractors shall submit payroll records for workers subject to this Section 4.8 on a timely basis into Elation's certified payroll reporting system (or any successor electronic program designated by CityBuild), thereby certifying the payroll records. Upon request, CPMC and its contractors will provide to CityBuild its workforce records relating to the Public Improvements work performed by or on behalf of CPMC.

4.9 Indemnification of City. CPMC shall indemnify, reimburse, and hold harmless the City and its officers, agents and employees (the "**City Parties**") from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims ("**Losses**") arising or resulting directly or indirectly from (i) any third party claim arising from a default by CPMC under this Agreement, (ii) CPMC's failure to comply with any Approval, Subsequent Approval or Non-City Approval, (iii) the failure of any improvements constructed pursuant to the Approvals or Subsequent Approvals to comply with any Federal or State Laws, the Existing Standards or any permitted Future Changes to Existing Standards, (iv) any accident, bodily injury, death, personal injury or loss of or damage to property occurring on a Project Site (or off-site, with regard to the Public Improvements) in connection with the construction by CPMC or its agents or contractors of any improvements pursuant to the Approvals, Subsequent Approvals or this Agreement, (v) a Third-Party Challenge instituted against the City or any of the City Parties, (vi) any dispute between CPMC, its contractors or subcontractors relating to the construction of any part of the Project, and (vii) any dispute between CPMC and any Transferee or any subsequent owner of any of the Project Sites relating to any assignment of this Agreement or the obligations that run with the land, or any dispute between CPMC and any Transferee or other person relating to which party is responsible for performing certain obligations under this Agreement, each regardless of the negligence of and regardless of whether liability without fault is imposed or sought to be imposed on the City or any of the City Parties, except to the extent that such indemnity is void or otherwise unenforceable under applicable Law, and except to the extent such Loss is the result of the negligence or willful misconduct of the City Parties. The foregoing indemnity shall include, without limitation, reasonable attorneys' fees and costs and the City's reasonable cost of investigating any claims against the City or the City Parties. All indemnifications set forth in this Agreement shall survive the expiration or termination of this Agreement, to the extent such indemnification obligation arose from an event occurring before the expiration or termination of this Agreement. To

the extent the indemnifications relate to CPMC's obligations that survive the expiration or termination of this Agreement, the indemnifications shall survive for the term of the applicable obligation plus four years.

5. VESTING AND CITY OBLIGATIONS

5.1 Vested Rights. CPMC shall have the vested right to develop the Near-Term Projects as set forth in this Agreement, with the following vested elements: the locations and numbers of buildings proposed, the land uses and height and bulk limits, including the maximum density, intensity and gross square footages, the permitted uses, the provisions for vehicular access and parking, the reservation or dedication of land for public purposes or fees in-lieu thereof, and provision for construction of public improvements (including the Public Improvements) (collectively, the "**Vested Elements**"; provided, the Existing Uses of all of the Project Sites shall also be included as Vested Elements). The Vested Elements are subject to and shall be governed by Applicable Laws. The expiration of any building permit or other Approval shall not limit the Vested Elements, and CPMC shall have the right to seek and obtain subsequent building permits or approvals, including Subsequent Approvals at any time during the Term, any of which shall be governed by Applicable Laws. Each Subsequent Approval, once granted, shall be deemed an Approval for purposes of this Section 5. The Parties acknowledge that the Long-Term Projects require separate approvals and findings, and nothing shall prevent or limit the discretion of the City in connection therewith, except for the vesting of Existing Uses and the express limitations in Section 4.5 and on Future Changes to Existing Standards as provided in Section 5.3.

5.2 Existing Standards. The City shall process, consider, and review all Subsequent Approvals in accordance with (i) the Approvals, (ii) the San Francisco General Plan, the San Francisco Municipal Code (including the Subdivision Code) and all other applicable City policies, rules and regulations as each of the foregoing is in effect on the Effective Date ("**Existing Standards**"), as the same may be amended or updated in accordance with permitted Future Changes to Existing Standards as set forth in Section 5.3, and (iii) this Agreement (collectively, "**Applicable Laws**").

5.3 Future Changes to Existing Standards. All future changes to Existing Standards and any other Laws, plans or policies adopted by the City or adopted by voter initiative after the Effective Date ("**Future Changes to Existing Standards**") shall apply to the Project and the Project Sites except to the extent they conflict with this Agreement or the terms and conditions of the Approvals. In the event of such a conflict, the terms of this Agreement and the Approvals shall prevail, subject to the terms of Section 5.6 below.

5.3.1 Future Changes to Existing Standards shall be deemed to conflict with this Agreement and the Approvals if they:

(a) limit or reduce the density or intensity of a Near-Term Project, or any part thereof, or otherwise require any reduction in the square footage or number of proposed buildings or other improvements from that permitted under this Agreement for the Near-Term Projects, the Existing Standards, or the Approvals;

(b) limit or reduce the height or bulk of a Near-Term Project, or any part thereof, or otherwise require any reduction in the height or bulk of individual proposed buildings or other improvements that are part of a Near-Term Project from that permitted under this Agreement, the Existing Standards, or the Approvals;

(c) limit or reduce vehicular access or parking on the Project Sites from that permitted under this Agreement, the Existing Standards, or the Approvals;

(d) change or limit any land uses or height and bulk limits for the Project Sites that are permitted under this Agreement, the Existing Standards, the Approvals or the Existing Uses;

(e) change or limit the Approvals or Existing Uses;

(f) except as required by Section 4.2, materially limit or control the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of a Near-Term Project in any manner, including the demolition of existing buildings at the Project Sites;

(g) require the issuance of permits or approvals by the City other than those required under the Existing Standards, except as otherwise provided in Section 5.4.3;

(h) limit or control the availability of public utilities, services or facilities or any privileges or rights to public utilities, services, or facilities for a Near-Term Project as contemplated by the Approvals;

(i) materially and adversely limit the processing or procuring of applications and approvals of Subsequent Approvals that are consistent with Approvals; or,

(j) impose or increase any Impact Fees and Exactions, as they apply to the Project, except as permitted under Section 5.4 of this Agreement.

5.3.2 CPMC may elect to have a Future Change to Existing Standards that conflicts with this Agreement and the Approvals applied to the Project or the Project Sites by giving the City notice of its election to have a Future Change to Existing Standards applied, in which case such Future Change to Existing Standards shall be deemed to be an Existing Standard; provided, however, if the application of such Future Change to Existing Standards would be a Material Change to the City's obligations hereunder, the application of such Future Change to Existing Standards shall require the concurrence of any affected City Agencies.

5.3.3 In addition to the foregoing, except as to Laws that are (i) applicable on a City-Wide basis and (ii) applied in an equitable and non-discriminatory manner to the following categories of uses (to each individually): General Acute Care Hospitals, medical office buildings or outpatient facilities, the City shall not apply Future Changes to Existing Standards that change, limit or control healthcare and/or medical services, healthcare and/or medical service lines, healthcare and/or medical uses on the Project Sites, or any other hospital, medical office or outpatient facility requirements, provided the foregoing shall not limit the City's rights and obligations under the Public Health and Safety Exception or Federal and State Law Exception. Nothing in this Agreement shall

preclude the City from applying Future Changes to Existing Standards to the Project Sites for any development project not within the definition of the "Project" under this Agreement. In addition, nothing in this Agreement shall preclude CPMC from pursuing any challenge to the application of any Future Changes to Existing Standards to all or part of the Project Sites.

5.3.4 The Parties acknowledge that, for certain parts of the Project, CPMC must submit a variety of applications for Subsequent Approvals before commencement of construction, including building permit applications, a residential hotel permit to convert, street improvement permits, and encroachment permits. CPMC shall be responsible for obtaining all Subsequent Approvals before commencement of construction to the extent required under applicable Law. Notwithstanding anything in this Agreement to the contrary, when considering any such application for a Subsequent Approval, the City shall apply the applicable provisions, requirements, rules, or regulations that are contained in the California Building Standards Code, as amended by the City, including requirements of the San Francisco Building Code, Public Works Code (which includes the Stormwater Management Ordinance), Subdivision Code, Mechanical Code, Electrical Code, Plumbing Code, Fire Code or other uniform construction codes.

5.3.5 CPMC shall have the right, from time to time and at any time, to file subdivision map applications (including phased final map applications) with respect to some or all of the Project Sites, to subdivide, reconfigure or merge the parcels comprising the Project Sites as may be necessary or desirable in order to develop a particular part of the Project. Nothing in this Agreement shall authorize CPMC to subdivide or use any of the Project Sites for purposes of sale, lease or financing in any manner that conflicts with the California Subdivision Map Act (California Government Code § 66410 *et seq.*), or with the Subdivision Code. Nothing in this Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps so long as such changes do not conflict with the provisions of this Agreement or with the Approvals as set forth in Section 5.3.1.

5.4 Fees and Exactions.

5.4.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 5.4, and the City shall not impose any new Processing Fees or Impact Fees and Exactions on the development of the Project or impose new conditions or requirements for the right to develop the Project (including required contributions of land, public amenities or services) except as set forth in this Agreement. The Parties acknowledge that the provisions contained in this Section 5.4 are intended to implement the intent of the Parties that CPMC have the right to develop the Project pursuant to specified and known criteria and rules, and that the City receive the benefits which will be conferred as a result of such development without abridging the right of the City to act in accordance with its powers, duties and obligations, except as specifically provided in this Agreement.

5.4.2 Near-Term Projects. No Impact Fees and Exactions shall apply to the Near-Term Projects (or components thereof) except for (i) the SFPUC Capacity Charges in effect at the time of assessment, and (ii) street tree in-lieu fees (San Francisco Planning Code Section 428) in effect as of the Effective Date. For the purposes of this Section 5.4.2, any sums payable as part of the Public Benefits shall not be considered Impact Fees and Exactions. CPMC shall pay transit fees and charges for the Near-Term Projects as set forth in Exhibit K. Accordingly, the City

acknowledges and agrees that Near-Term Projects (or components thereof) shall not be subject to the provisions of Planning Code Section 411.1 *et seq.* and any similar or successor ordinances requiring the payment of a fee related to any anticipated financial burden imposed on the San Francisco transportation system, including but not limited to the transportation sustainability fee under evaluation by the City and described generally in materials dated November 2011 and presented to the Planning Commission on January 26, 2012.

5.4.3 Long-Term Projects. Impact Fees and Exactions for the Long-Term Projects (or components thereof) shall be limited to those from time to time in effect, on a City-Wide basis, at the time that CPMC applies for or obtains, as applicable, a permit, authorization or approval in connection therewith. After the Effective Date, except as set forth below in this Section 5.4.3, no new categories of Impact Fees and Exactions (nor expansion of the application of same due to changes in exceptions or definitions of covered uses thereto) shall apply to the development of the Long-Term Projects. Any substitute Impact Fees and Exactions that replace the Impact Fees and Exactions in effect on the Effective Date shall apply to the Long-Term Projects, and shall not be considered new categories of Impact Fees and Exactions except to the extent that they expand the scope of the existing Impact Fees and Exactions. In other words, if the City amends Impact Fees and Exactions during the Term to both increase the rates and expand the scope of application (i.e., apply the Impact Fees and Exactions to a use that was not previously subject to that Impact Fees and Exactions), then the increase in rates (including the methodology for calculation of those rates) would apply to the Long-Term Projects but not the expanded scope. Accordingly, if the increase in scope is to impose a particular Impact Fee or Exaction to a medical office use where previously it did not apply to medical office uses, then that Impact Fee or Exaction would not be imposed on a medical office building that is built as part of a Long-Term Project under this Agreement. Notwithstanding anything to the contrary above, CPMC shall be responsible for the payment of the following fees and charges, if and to the extent applicable: (i) all Impact Fees and Exactions for future development on the California Campus, in effect at the time of assessment, (ii) the SFPUC Capacity Charges, in effect at the time of assessment, and (iii) the transit impact fees for a Long-Term Project (as set forth in Planning Code Section 411.1 *et seq.* or any similar or successor ordinances requiring the payment of a fee related to any anticipated financial burden imposed on the San Francisco transportation system), in effect at the time of assessment. The Public Benefits, as imposed on the Near-Term Projects and as described in this Agreement, do not apply to the Long-Term Projects and the City shall not impose the Public Benefits on the Long-Term Projects in connection with any Subsequent Approval; provided the foregoing shall not limit the City's rights and obligations under Section 4.5.

5.4.4 Processing Fees. For three (3) years following the Effective Date, as extended by the number of days in any extension of the Term under Section 10.6.1, Processing Fees for the Near-Term Projects shall be limited to the Processing Fees in effect, on a City-Wide basis, as of the Effective Date (provided that to the extent Processing Fees are based on time and materials costs, such fees may be calculated based on the schedule for time and materials costs in effect on the date the work is performed by the City). Thereafter, Processing Fees for the Near-Term Projects and Long-Term Projects shall be limited to the Processing Fees in effect, on a City-Wide basis, at the time that CPMC applies for the permit or approval for which such Processing Fee is payable in connection with the applicable portion of the Long-Term Project.

5.5 Limitation on City's Future Discretion. By approving the Approvals, the City has made a policy decision that the Near-Term Projects are in the best interests of the City and promote the public health, safety and general welfare. Accordingly, the City in granting the Approvals and, as applicable, vesting the Project through this Agreement is limiting its future discretion with respect to the Near-Term Projects and Subsequent Approvals to the extent that they are consistent with the Approvals and this Agreement. For elements included in a request for a Subsequent Approval that have not been reviewed or considered by the applicable City Agency previously (including but not limited to additional details or plans for a proposed building), the City Agency shall exercise its discretion consistent with its customary practice but shall not deny issuance of a Subsequent Approval based upon items that are consistent with the Approvals and this Agreement. Consequently, the City shall not use its discretionary authority to change the policy decisions reflected by the Approvals and this Agreement or otherwise to prevent or to delay development of the Near-Term Projects as contemplated in the Approvals and this Agreement. Nothing in the foregoing shall impact or limit the City's discretion with respect to: (i) proposed Subsequent Approvals that seek a Material Change to the Approvals, or (ii) Board of Supervisor approvals of subdivision maps, as required by law, not contemplated by the Approvals.

5.6 Changes in Federal or State Laws.

5.6.1 City's Exceptions. Notwithstanding any provision in this Agreement to the contrary, each City Agency having jurisdiction over the Project shall exercise its discretion under this Agreement in a manner that is consistent with the public health and safety and shall at all times retain its respective authority to take any action that is necessary to protect the physical health and safety of the public (the "**Public Health and Safety Exception**") or reasonably calculated and narrowly drawn to comply with applicable changes in Federal or State Law affecting the physical environment (the "**Federal or State Law Exception**"), including the authority to condition or deny a Subsequent Approval or to adopt a new Law applicable to the Project so long as such condition or denial or new regulation (i) is limited solely to addressing a specific and identifiable issue in each case required to protect the physical health and safety of the public or (ii) is required to comply with a Federal or State Law and in each case not for independent discretionary policy reasons that are inconsistent with the Approvals or this Agreement and (iii) is applicable on a City-Wide basis to the same or similarly situated uses and applied in an equitable and non-discriminatory manner. CPMC retains the right to dispute any City reliance on the Public Health and Safety Exception or the Federal or State Law Exception.

5.6.2 Changes in Federal or State Laws. If Federal or State Laws issued, enacted, promulgated, adopted, passed, approved, made, implemented, amended, or interpreted after the Effective Date have gone into effect and (i) preclude or prevent compliance with one or more provisions of the Approvals or this Agreement, or (ii) materially and adversely affect CPMC's or the City's rights, benefits or obligations, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 5.6.4, as applicable.

5.6.3 Changes to Development Agreement Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute. No amendment of or addition to the Development Agreement Statute which would affect the

interpretation or enforceability of this Agreement or increase the obligations or diminish the development rights of CPMC hereunder, or increase the obligations or diminish the benefits to the City hereunder shall be applicable to this Agreement unless such amendment or addition is specifically required by Law or is mandated by a court of competent jurisdiction. If such amendment or change is permissive rather than mandatory, this Agreement shall not be affected.

5.6.4 Termination of Agreement. If any of the modifications, amendments or additions described in Sections 5.3.3, 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would materially and adversely affect the construction, development, use, operation or occupancy of the Near-Term Projects as currently contemplated by the Approvals, or any material portion thereof, such that the Near-Term Projects become economically infeasible (a "**Law Adverse to CPMC**"), then CPMC shall notify the City and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. If any of the modifications, amendments or additions described in Sections 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would materially and adversely affect or limit the Public Benefits (a "**Law Adverse to the City**"), then the City shall notify CPMC and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. Upon receipt of a notice under this Section 5.6.4, the Parties agree to meet and confer in good faith for a period of not less than ninety (90) days in an attempt to resolve the issue. If the Parties cannot resolve the issue in ninety (90) days or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in San Francisco for nonbinding mediation for a period of not less than thirty (30) days. If the Parties remain unable to resolve the issue following such mediation, then (i) CPMC shall have the right to terminate this Agreement following a Law Adverse to CPMC upon not less than thirty (30) days prior notice to the City, and (ii) the City shall have the right to terminate this Agreement following a Law Adverse to the City upon not less than thirty (30) days prior notice to CPMC; provided, notwithstanding any such termination, CPMC shall be required to complete the applicable Public Benefits as and to the extent set forth in Section 10.4.

5.7 No Action to Impede Approvals. Except and only as required under Section 5.6, the City shall take no action under this Agreement nor impose any condition on the Project that would conflict with this Agreement or the Approvals. An action taken or condition imposed shall be deemed to be in conflict with this Agreement or the Approvals if such actions or conditions result in the occurrence of one or more of the circumstances identified in Section 5.3 of this Agreement.

5.8 Criteria for Approving Subsequent Approvals. The City shall not disapprove applications for Subsequent Approvals based upon any item or element that is consistent with this Agreement and the Approvals, and shall consider all such applications in accordance with its customary practices (subject to the requirements of this Agreement). The City may subject a Subsequent Approval to any condition that is necessary to bring the Subsequent Approval into compliance with Applicable Laws. The City shall in no event be obligated to approve an application for a Subsequent Approval that would effect a Material Change. If the City denies any application for a Subsequent Approval that implements a Near-Term Project as contemplated by the Approvals, the City must specify in writing the reasons for such denial and shall suggest modifications required for approval of the application. Any such specified modifications shall be consistent with Applicable Laws and City staff shall approve the application if it is subsequently resubmitted for City review and corrects or mitigates, to the City's satisfaction, the stated reasons for the earlier

denial in a manner that is consistent and compliant with Applicable Laws and does not include new or additional information or materials that give the City a reason to object to the application under the standards set forth in this Agreement. The City agrees to rely on the FEIR, to the greatest extent possible, as more particularly described in Section 4.5.1. With respect to any Subsequent Approval that includes a proposed change to a Near-Term Project, the City agrees to rely on the General Plan Consistency Findings to the greatest extent possible in accordance with applicable Laws; provided, however, that nothing shall prevent or limit the discretion of the City in connection with any Subsequent Approvals that, as a result of amendments to the Approvals, require new or revised General Plan consistency findings. The Parties acknowledge that the Long-Term Projects require separate approvals and findings, and nothing shall prevent or limit the discretion of the City in connection therewith, except as otherwise provided in Section 4.5.1.

5.9 Construction of Public Improvements. The City's or CPMC's construction of the Public Improvements shall be governed by the provisions of Exhibit H.

5.10 Estoppel Certificates. CPMC may, at any time, and from time to time, deliver notice to the Planning Director requesting that the Planning Director certify to CPMC, a potential Transferee, or a potential lender to CPMC, in writing that to the best of his or her knowledge: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended or modified, and if so amended or modified, identifying the amendments or modifications and stating their date and providing a copy or referring to the recording information; (iii) CPMC is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Defaults; and (iv) the findings of the City with respect to the most recent annual review performed pursuant to Section 8 below. The Planning Director, acting on behalf of the City, shall execute and return such certificate within forty-five (45) days following receipt of the request. A certificate provided by the City establishing the status of this Agreement with respect to any lot or parcel shall be in recordable form and may be recorded with respect to the affected lot or parcel at the expense of the recording party.

5.11 Existing and Continuing Uses. The Parties acknowledge that the Existing Uses are lawfully authorized uses and will generally continue as such uses are modified by the Near-Term Projects, and that any modification thereof is subject to Planning Code Section 178 and the applicable provisions of Section 5 of this Agreement.

5.12 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment, provided (i) the City shall not institute on its own initiative proceedings for any new or increased special tax or special assessment for a land-secured financing district (including the special taxes under the Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53311 *et seq.*) but not including business improvement districts or community benefit districts formed by a vote of the affected property owners) that includes the Project Sites unless the new district is City-Wide or CPMC gives its prior written consent to such proceedings, and (ii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted solely at any or all of the Project Sites. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Sites, or any portion thereof, that is enacted in accordance with Law and applies to all similarly-situated property on a City-Wide basis.

6. NO DEVELOPMENT OBLIGATION

There is no requirement under this Agreement that CPMC initiate or complete development of the Project, or any portion thereof (including, without limitation, any development on the Cathedral Hill Campus) except for (i) the Hospital Commitment, if and to the extent that such obligation has arisen pursuant Section 4.2.1, and (ii) the Community Commitments, if and to the extent that any such obligation has arisen pursuant Section 4.2.4. There is also no requirement that development be initiated or completed within any period of time or in any particular order except as set forth in Sections 4.2.1 and 4.2.3. The development of the Project is subject to numerous factors that are not within the control of CPMC or the City, such as availability of financing, interest rates, access to capital, healthcare regulatory requirements and other similar factors. Except as expressly required by this Agreement, the City acknowledges that CPMC may develop the Project in such order and at such rate and times as CPMC deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement, and that without such a right, CPMC's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, Chapter 56 and this Agreement.

7. MUTUAL OBLIGATIONS

7.1 Notice of Completion, Revocation or Termination. Upon the Parties' completion of performance, revocation or termination of this Agreement or any portion thereof limited to or arising as a result of an obligation limited to a particular Project Site, a written statement acknowledging such completion, revocation or termination, signed by the appropriate agents of the City and CPMC, shall be recorded in the Official Records. In addition, upon CPMC's request, when all of the required Public Benefits have been completed as to a Project Site, the City and CPMC shall record a notice of completion in the form attached as Exhibit L as to such Project Site.

7.2 General Cooperation.

7.2.1 Agreement to Cooperate. The Parties agree to cooperate with one another to expeditiously implement the Project in accordance with the Approvals, any Subsequent Approvals and this Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of this Agreement, the Approvals and any Subsequent Approvals are implemented. Except for ordinary administrative costs of the City, nothing in this Agreement obligates the City to spend any sums of money or incur any costs other than City Costs or costs for Public Improvements which may be constructed by the City (subject to CPMC's payment obligations as set forth in Exhibit H) or costs that CPMC must reimburse through the payment of Processing Fees. The Parties agree that the Planning Department (or such other department to whom the obligation is delegated by the Director of the Planning Department after notice to CPMC) will act as the City's lead agency to facilitate coordinated City review of

applications for the Project. As such, Planning Department (or such other department) staff will: (i) work with CPMC to ensure that all such applications to the City are technically sufficient and constitute complete applications and (ii) interface with City staff responsible for reviewing any application under this Agreement to facilitate an orderly, efficient approval process that avoids delay and redundancies.

7.2.2 Specific Actions by the City. The City actions and proceedings subject to this Agreement shall be through the Planning Department, as well as affected City Agencies (and when required by applicable Law, the Board of Supervisors), and shall include instituting and completing proceedings for closing, vacating, widening, modifying, or changing the grades of streets, alleys, sidewalks, and other public rights-of-way and for other necessary modifications of the streets, the street layout, and other public rights-of-way in or near the Project Sites, including any requirement to abandon, remove, and relocate public utilities (and, when applicable, City utilities) within the public rights-of-way as specifically identified and approved in the Approvals and Subsequent Approvals. Except as set forth in Section 9.4.6, City Agencies shall process with due diligence all submissions and applications by CPMC on all permits, approvals, construction or occupancy permits for the Project subject to the acceptance of the same as complete.

7.3 Non-City Approvals.

7.3.1 Cooperation to Obtain Permits. The Parties acknowledge that certain portions of the Near-Term Projects, including, without limitation, the St. Luke's Hospital, the Cathedral Hill Hospital and the Van Ness pedestrian tunnel, require the approval of Federal, State, and local governmental agencies that are independent of the City and not a Party to this Agreement ("**Non-City Agencies**"), including but not limited to Caltrans and OSHPD. The City will reasonably cooperate with reasonable requests by CPMC in connection with CPMC's efforts to obtain permits, agreements, or entitlements from Non-City Agencies as may be necessary or desirable for the development, operation and use of Near-Term Projects (each, a "**Non-City Approval**"). The City's commitment to CPMC under this Agreement is subject to the following conditions:

(a) Throughout the permit process for any Non-City Approval, CPMC shall consult and coordinate with each affected City Agency in CPMC's efforts to obtain the permits, agreements, or entitlements, and each such City Agency shall cooperate reasonably with CPMC in CPMC's efforts to obtain the same.

(b) CPMC shall not agree to conditions or restrictions in any Non-City Approval that could create: (1) any obligations on the part of any City Agency, unless the City Agency agrees in writing, following the receipt of any necessary governmental approvals, to assume such obligations; or (2) any restrictions on City property, unless in each instance the City, including each affected City Agency, has previously approved in its sole discretion the conditions or restrictions in writing following the receipt of any necessary governmental approvals.

(c) The City shall have no duty to cooperate with public utilities and communication service providers to the extent that the cooperation efforts requested by CPMC are materially in excess of the City's typical efforts in connection with other major development and construction projects in the City.

7.3.2 Costs. CPMC shall bear all costs associated with applying for and obtaining any necessary Non-City Approval. CPMC, at no cost to the City, shall be solely responsible for complying with any Non-City Approval and any and all conditions or restrictions imposed as part of a Non-City Approval. CPMC shall pay or otherwise discharge any fines, penalties, or corrective actions imposed as a result of CPMC's failure to comply with any Non-City Approval.

7.4 Cooperation in the Event of Third-Party Challenge.

7.4.1 In the event any administrative, legal or equitable action or proceeding is instituted by any party other than the City or CPMC challenging the validity or performance of any provision of this Agreement, the Project, the Approvals or Subsequent Approvals, the adoption or certification of the FEIR or other actions taken pursuant to CEQA, or other approvals under Laws relating to the Project, any action taken by the City or CPMC in furtherance of this Agreement, or any combination thereof relating to the Project or any portion thereof ("**Third-Party Challenge**"), the Parties shall cooperate in defending against such challenge. The City shall promptly notify CPMC of any Third-Party Challenge instituted against the City.

7.4.2 CPMC shall assist and cooperate with the City at CPMC's own expense in connection with any Third-Party Challenge. The City Attorney's Office may use its own legal staff or outside counsel in connection with defense of the Third-Party Challenge, at the City Attorney's sole discretion. CPMC shall reimburse the City for its actual costs in defense of the action or proceeding, including but not limited to the time and expenses of the City Attorney's Office (at the non-discounted rates then charged by the City Attorney's Office) and any consultants; provided, however, CPMC shall have the right to monthly invoices for all such costs.

7.4.3 To the extent that any such action or proceeding challenges or a judgment is entered limiting CPMC's right to proceed with the Project or any material portion thereof under this Agreement (whether the Project commenced or not), including the City's actions taken pursuant to CEQA, CPMC may elect to terminate this Agreement. Upon any such termination (or, upon the entry of a judgment terminating this Agreement, if earlier), the City and CPMC shall jointly seek to have the Third-Party Challenge dismissed and CPMC shall have no obligation to reimburse City defense costs that are incurred after the dismissal.

7.4.4 The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project or the issuance of Subsequent Approvals unless the third party obtains a court order preventing the activity. During the pendency of a Third Party Challenge CPMC's obligations to provide the Community Commitments shall be tolled; provided, however, the Commitment Increments arising as of the Effective Date shall not be tolled notwithstanding such Third Party Challenge. For the purposes of the foregoing exclusions from the tolling of the Community Commitments, the Parties agree and acknowledge that the following Commitment Increments arise as of the Effective Date: (i) in Exhibit F, the New Medi-Cal Beneficiaries Commitment described in section 2, the first Innovation Fund payment of $3,500,000 described in section 3(b), and the commitments described in sections 8 through 11; (ii) in Exhibit G, the payment of the $2,684,800 Residential Hotel Replacement Fee described in section 1(c), the payment of the $1,453,820 Residential Unit Replacement Fee described in section 2, and the $3,350,000 payment described in section 3(a)(i) as part of the Affordable Housing Payment; and

(iii) in Exhibit H, the $150,000 payment described in section 4(a)(i) as part of the CHAP Improvement Funds. If CPMC intends to rely upon this tolling provision, it shall notify the City of same and the tolling period shall end on the dismissal or end of the Third Party Challenge.

7.4.5 The reimbursement obligations under this Section 7.4 shall survive any judgment invalidating all or any part of this Agreement.

7.5 Permits to Enter City Property. Subject to the rights of any third party, the rights of the public and the City's reasonable agreement on the scope of the proposed work and insurance and security requirements, each City Agency with jurisdiction shall grant permits to enter City-owned property on the City's standard form permit, including, without limitation, provisions regarding release, waivers and indemnification in keeping with the City's standard practices, so long as the same is consistent with Applicable Law, and otherwise on commercially reasonable terms, in order to permit CPMC to enter City-owned property as necessary to construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

7.6 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Approvals and any Subsequent Approvals. In their course of performance under this Agreement, the Parties shall cooperate and shall undertake such actions as may be reasonably necessary to implement the Project as contemplated by this Agreement.

7.7 Other Necessary Acts. Each Party shall use good faith efforts to take such further actions as may be reasonably necessary to carry out this Agreement, the Approvals and any Subsequent Approvals, in accordance with the terms of this Agreement (and subject to all applicable Laws) in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

8. ANNUAL REVIEW AND COMPLIANCE

8.1 Initiation of Review. Pursuant to Section 65865.1 of the Development Agreement Statute and Section 56.17 of the Administrative Code, on the date which is fifteen (15) days following the City's receipt of each annual Compliance Statement (the "**Annual Review Date**") during the Term, the Planning Director shall commence a review to ascertain whether CPMC has, in good faith, materially complied with this Agreement.

8.2 Review Procedure. In conducting the required initial and annual reviews of CPMC's compliance with this Agreement, the Planning Director shall follow the process set forth in this Section 8.2.

8.2.1 Required Information from CPMC. Within one hundred fifty (150) days following the end of each fiscal year (as defined in Exhibit F), CPMC shall provide a report to the Planning Director showing compliance, if and to the extent required under this Agreement, with (i) the Hospital Commitment, (ii) each of the Community Commitments, including the Healthcare Compliance Report as set forth in Exhibit F and (iii) the provisions of this Agreement regarding reimbursement of City Costs (the "**Compliance Statement**"). CPMC shall concurrently deliver a copy of the Healthcare Compliance Report to the Director of Public Health, and shall continue to send the Healthcare Compliance Report to the Director of Public Health until the expiration or

termination of all of the Healthcare Obligations. The Compliance Statement shall satisfy the requirements for and be submitted in lieu of any Update otherwise required pursuant to Planning Code Section 304.5(b); provided, however, that if there are significant revisions (as defined therein) to the information contained in the IMP, then the Zoning Administrator shall be notified to determine whether a new Institutional Master Plan is required. The Compliance Statement and this Agreement shall also satisfy the requirements of Health Commission Resolution No. 02-10.

8.2.2 City Report. Within forty-five (45) days after CPMC submits the Compliance Statement, the Planning Director, in consultation with the Department of Public Health and other City agencies as appropriate, shall review the Compliance Statement and all other substantial evidence regarding CPMC's compliance with this Agreement. All substantial evidence including final staff reports shall, upon receipt by the City, be made available expeditiously to CPMC. Based on the Compliance Statement and such other substantial evidence, the Planning Director shall determine CPMC's compliance with all elements of this Agreement except for the Healthcare Obligations. CPMC's compliance with the Healthcare Obligations shall be determined (including following the expiration of the Term for the surviving Healthcare Obligations) by the Director of DPH. If the Planning Director finds that CPMC is in material compliance with this Agreement other than the Healthcare Obligations, then Planning Director shall issue a Certificate of Compliance to CPMC. If the Planning Director finds CPMC not in material compliance, then the Planning Director shall proceed in the manner provided in Chapter 56 for any proposed termination of this Agreement. If the Director of DPH finds that CPMC is not in compliance with the Healthcare Obligations, then the Director of DPH shall consult with the City Attorney for appropriate action in accordance with this Agreement. The City's failure to initiate or timely complete the annual review shall not be a Default and shall not be a waiver of the City's right to do so at a later date. All costs incurred by the City under this Section 8 shall be included in the City Costs.

9. ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES

9.1 Enforcement. The only Parties to this Agreement are the City and CPMC (and any successors and Transferees). This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

9.2 Meet and Confer Process. Before sending a notice of default in accordance with Section 9.3, the Party which may assert that the other Party has failed to perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement or in connection with an unresolved dispute pursuant to Section 4.7.5, (ii) for failure to meet the St. Luke's Opening Deadline or the St. Luke's Operating Commitment, and (iii) if a delay in sending a notice pursuant to Section 9.3 would impair, prejudice or otherwise adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request that such meeting and conference occur within three (3) business days following the request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section 9.2 and may proceed in accordance with the issuance of a notice of default under Section 9.3.

9.3 Default. The following shall constitute a "Default" under this Agreement: (i) the failure to make any payment within sixty (60) days following notice that such payment was not made when due and demand for compliance; and (ii) the failure to perform or fulfill any other material term, provision, obligation, or covenant of this Agreement and the continuation of such failure for a period of sixty (60) days following notice and demand for compliance. Notwithstanding the foregoing, (A) if a failure can be cured but the cure cannot reasonably be completed within sixty (60) days, then it shall not be considered a Default if a cure is commenced within said 60-day period and diligently prosecuted to completion thereafter, (B) for failure to meet the St. Luke's Opening Deadline or failure to satisfy the St. Luke's Operating Commitment, CPMC's cure period shall be thirty (30) days following City's notice and demand for compliance, and failure to Open St. Luke's Hospital or satisfy the St. Luke' Operating Commitment, as applicable, within the thirty (30) day period shall be a Default, and (C) for any obligation that cannot be cured (i.e., the failure to provide services to the required number of Medi-Cal patients in a past year or years as set forth in Exhibit F), CPMC shall have the benefit of the meet and confer process set forth in Section 9.2 to demonstrate or provide evidence to the City that a condition precedent to the obligation did not occur, that CPMC has satisfied the specified obligation, or an event of Excusable Delay has occurred, but there shall be no cure period. Any notice of default given by a Party shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured (if at all). Notwithstanding any other provision in this Agreement to the contrary, but subject to the express provisions of the Hospital Commitment and Sections 9.4.4(a) and (b) and Section 11.7, if CPMC conveys or transfers some but not all of the Project Sites in accordance with the requirements of this Agreement and there is more than one Party that assumes obligations of "CPMC" under this Agreement, there shall be no cross-default between the separate Parties that assumed CPMC obligations. Accordingly, if a Transferee Defaults, it shall not be a Default by any other Transferee or Party that owns a different portion of the Project Site. For purposes of this Section 9, a Party shall include all of its Affiliates who have an ownership interest in a portion of the Project Sites, and therefore any termination or other remedy against that Party may include the same remedy against all such Affiliates.

9.4 Remedies.

9.4.1 Specific Performance. Subject to, and as limited by, the provisions of Sections 9.4.3, 9.4.4 and 9.4.5, in the event of a Default the remedies available to a Party shall include specific performance of this Agreement in addition to any other remedy available at law or in equity. Notwithstanding anything in this Agreement to the contrary, so long as CPMC is actively pursuing the Completion of Construction of the St. Luke's Hospital, the City shall not take any action at law or in equity to prevent CPMC from pursuing the Completion of Construction of the Cathedral Hill Hospital or from Opening the Cathedral Hill Hospital.

9.4.2 Termination. Subject to the limitation set forth in Section 9.4.4, in the event of a Default the non-defaulting Party may elect to terminate this Agreement by sending a notice of termination to the other Party, which notice of termination shall state the Default. This Agreement will be considered terminated effective upon the date set forth in the notice of termination, which shall in no event be earlier than ninety (90) days following delivery of the notice. Following any such termination, CPMC's obligation to perform, complete and/or maintain the Public Benefits shall be governed by the provisions of Section 10.4.

9.4.3 Limited Damages. The Parties have determined that except as set forth in this Section 9.4.3 and Sections 9.4.4 and 10.3, (i) monetary damages are generally inappropriate, (ii) it would be extremely difficult and impractical to fix or determine the actual damages suffered by a Party as a result of a Default hereunder, and (iii) equitable remedies and remedies at law not including damages but including specific performance and termination are particularly appropriate remedies for enforcement of this Agreement. Consequently, CPMC agrees that the City shall not be liable to CPMC for damages under this Agreement, and the City agrees that CPMC shall not be liable to the City for damages under this Agreement, and each covenants not to sue the other for or claim any damages under this Agreement and expressly waives its right to recover damages under this Agreement, except as follows: (1) either Party shall have the right to recover actual damages only (and not consequential, punitive or special damages, each of which is hereby expressly waived) for a Party's failure to pay sums to the other Party as and when due under this Agreement, including but not limited to any failure to pay liquidated damages as and when due under Section 9.4.4, (2) the City shall have the right to recover actual damages for CPMC's failure to make any payment due under any indemnity in this Agreement, (3) for any Community Commitment for which specific performance or the other remedy listed in the applicable Exhibit is determined not to be available (and for which there is no liquidation amount listed in Section 9.4.4 or the applicable Exhibit), the City shall have the right to monetary damages against CPMC equal to the costs that CPMC would have incurred to complete the Community Commitment, and (4) either Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6. For purposes of the foregoing, "actual damages" means the actual amount of the sum due and owing under this Agreement, with interest as provided by law, together with such judgment collection activities as may be ordered by the judgment, and no additional sums.

9.4.4 Liquidated Damages. CPMC understands, has ascertained and agrees that the City will sustain damages in connection with CPMC's Default of certain obligations under this Agreement. The City and CPMC agree that the liquidated damages set forth in this Section 9.4.4 shall be presumed to be the damages actually sustained by the City, and that because of the nature of CPMC's obligations under this Agreement, it would be impracticable or extremely difficult to fix the actual damages. Liquidated damages shall be considered not as a penalty but as agreed monetary damages sustained by the City for increased costs, exposures and expenses related to CPMC's Default in connection with such obligations, including but not limited to the loss of seismically safe medical facilities serving area residents and increased costs at San Francisco General Hospital and the City's other public healthcare facilities. Any capitalized term used in this Section 9.4.4 that is not defined shall have the meaning given to such term in Exhibit F.

AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNTS SET FORTH BELOW FOR EACH SUCH OBLIGATION ARE A REASONABLE ESTIMATE OF THE DAMAGES THAT CITY WOULD INCUR IN SUCH EVENT, TAKING INTO ACCOUNT ALL RELEVANT FACTS AND CIRCUMSTANCES. CPMC FURTHER ACKNOWLEDGES AND AGREES THAT ANY COLLECTION OF LIQUIDATED DAMAGES BY THE CITY FROM CPMC UNDER THIS SECTION 9.4.4 SHALL NOT RELEASE OR OTHERWISE LIMIT THE LIABILITY OF CPMC FOR ANY OTHER DEFAULT UNDER THIS AGREEMENT EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.4.4(a). BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY

WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: CITY: _____ CPMC: _____

Therefore, as City's sole and exclusive remedy, a Default in the performance of any of the following obligations shall be subject to liquidated damages in the amount and as specified in this Section 9.4.4:

(a) St. Luke's Opening Commitment. If CPMC Defaults as to the St. Luke's Opening Deadline then, commencing on the date of Default as to the St. Luke's Opening Deadline and ending on the Opening of the St. Luke's Hospital, CPMC shall pay to the City the following amounts for the following periods: (i) for the first thirty (30) days, Ten Thousand Dollars ($10,000) per day, (ii) for days thirty-one (31) through one hundred twenty (120), Twenty-Five Thousand Dollars ($25,000) per day and (iii) thereafter to the date one year from the first day of such Default, Thirty Thousand Dollars ($30,000) per day. Such payments shall be made monthly, in arrears, commencing on the date that is thirty (30) days after the date that the Cathedral Hill Hospital Opens and on the same day each calendar month thereafter. If CPMC fails to Open St. Luke's Hospital on or before the first anniversary of the date that CPMC Opens the Cathedral Hill Hospital, then the liquidated damages under this Section 9.4.4(a) shall end, and thereafter CPMC shall pay the amount set forth in Section 9.4.4(b), provided that CPMC's first payment under Section 9.4.4(b) for the failure to Open St. Luke's Hospital within one year following the St. Luke's Opening Deadline shall be reduced by the amount paid by CPMC under this Section 9.4.4(a).

(b) St. Luke's Operating Commitment. If CPMC fails to Open the St. Luke's Hospital within one year following the St. Luke's Opening Deadline, or Opens the St. Luke's Hospital and thereafter Defaults in the St. Luke's Operating Commitment (each, a "**St. Luke's Trigger Date**"), then CPMC shall pay to the City in advance a base amount equal to Thirty Million Dollars ($30,000,000) (the "**St. Luke's Liquidated Payment**") for each year in which CPMC fails to Open the St. Luke's Hospital or fulfill the St. Luke's Operating Commitment. On the St. Luke's Trigger Date (and each applicable anniversary thereafter), the St. Luke's Liquidated Payment shall be adjusted by the change in the Medical Rate of Inflation. The adjusted St. Luke's Liquidated Payment payable as of the St. Luke's Trigger Date (and each applicable anniversary thereafter) shall be determined by multiplying the St. Luke's Liquidated Payment by a fraction, the numerator of which is the Medical Rate of Inflation published most recently prior to the St. Luke's Trigger Date (or the applicable anniversary thereafter) and the denominator of which is the Medical Rate of Inflation published most recently prior to the Effective Date. CPMC's obligation to pay the adjusted St. Luke's Liquidated Payment shall commence on the St. Luke's Trigger Date and shall be due annually thereafter on each applicable anniversary of the St. Luke's Trigger Date. The obligation to pay the adjusted St. Luke's Liquidated Payment shall end on the earlier of (i) the date that CPMC Opens the St. Luke's Hospital or cures the Default in the St. Luke's Operating Commitment, as applicable, (ii) if CPMC has not Opened the St. Luke's Hospital, twenty (20) years following the date of Default as to the St. Luke's Opening Deadline, or (iii) if CPMC has Opened the St. Luke's Hospital, the date that the St. Luke's Operating Commitment ends. If the last St. Luke's Liquidated Payment is for less than a full year, then the amount due and payable by CPMC shall be prorated on a per diem basis.

(c) Baseline Commitment. If CPMC Defaults as to the Baseline Commitment in a fiscal year, then CPMC shall pay to the City upon delivery of the Healthcare Compliance Report (or, if the Default is discovered or determined later, then within thirty (30) days following the discovery or determination of the Default) an amount equal to one hundred fifty percent (150%) of the Baseline Shortfall.

(d) New Medi-Cal Beneficiaries Commitment. If CPMC Defaults as to the New Medi-Cal Beneficiaries Commitment in a fiscal year, then CPMC shall pay to the City upon delivery of the Healthcare Compliance Report (or, if the Default is discovered or determined later, then within thirty (30) days following the discovery or determination of the Default) an amount equal to one hundred fifty percent (150%) of the Average Life Cost times the New Enrollee Shortfall. The Average Life Cost shall mean the average unreimbursed cost per fiscal year to CPMC for providing services to each New Enrollee over the previous two (2) fiscal years. The New Enrollee Shortfall shall be the difference between the number of New Enrollees that CPMC was required to accept under the New Medi-Cal Beneficiaries Commitment for that fiscal year and the number of New Enrollees that CPMC did accept in that fiscal year.

(e) St. Luke's Center for Excellence in Community Health Commitment. For any fiscal year in which CPMC Defaults by failing to operate or maintain the St. Luke's Center for Excellence in Community Health as set forth in section 7 of Exhibit F, CPMC shall pay to the City within thirty (30) days following the Default an amount equal to Two Million Dollars ($2,000,000) for the fiscal year in which the Default occurred.

(f) St. Luke's Center for Excellence in Senior Health Commitment. For any fiscal year in which CPMC Defaults by failing to operate or maintain the St. Luke's Center for Excellence in Senior Health as set forth in section 7 of Exhibit F, CPMC shall pay to the City within thirty (30) days following the Default an amount equal to Seven Hundred Fifty Thousand Dollars ($750,000) for the fiscal year in which the Default occurred.

(g) Skilled Nursing Facility (SNF) Beds Capacity Commitment. If CPMC Defaults as to the SNF Beds Capacity Commitment in a fiscal year by not creating or maintaining the required number of SNF beds, then CPMC shall pay to the City within thirty (30) days following the Default an amount equal to (i) Six Hundred Thousand Dollars ($600,000) times the number of SNF beds that CPMC was required to create and maintain as set forth in Exhibit F in that fiscal year but did not, plus (ii) the average Medi-Cal Shortfall for operating each such SNF bed under clause (i) above and for any additional SNF bed in which CPMC failed to place patients as required under Exhibit F, during that fiscal year. The Medi-Cal Shortfall in clause (ii) above shall be determined using the Medicare/Medi-Cal cost finding principles as set forth in section 2(f) of Exhibit F to establish an annual total cost for the operation of 100 SNF beds in the prior fiscal year, and dividing that number by 100 to determine the per SNF bed cost of operation.

9.4.5 Arbitration of Disputes.

(a) Arbitration Generally. Any disputes arising under this Agreement relating to the following provisions of Exhibit F the amount or calculation (or components used in connection therewith) of (i) the Baseline Commitment or CPMC EBIDTA as applied in connection with the provisions relating to the Baseline Commitment, (ii) the Maximum

Medi-Cal Shortfall as applied in connection with the New Medi-Cal Beneficiaries Commitment, (iii) an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment, or (iv) the St. Luke's Liquidated Payment (the "**Arbitrable Matters**"); shall be submitted to JAMS in San Francisco, or its successor, in front of a single disinterested Arbitrator for final and binding arbitration in accordance with this Section 9.4.5 ("**Arbitration**"). The Parties agree that any Arbitration relating to an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment shall be on an expedited basis.

(b) Arbitration Demand; Selection of Arbitrator. Either Party may file an arbitration demand with JAMS in San Francisco within: (i) ninety (90) days after the later of the expiration of the meet and confer process in Section 9.2 or date on which a Default has occurred or (ii) thirty (30) days after the City's receipt of notice from CPMC certifying that an Operating Margin Failure (as defined in Exhibit F) has occurred, including the backup information required by Exhibit F (the "**Election Period**"). Within ten (10) days from the date that a Party makes the arbitration demand, the Parties shall meet and confer to select an Arbitrator. The Arbitrator to be used for an Arbitration must be a "disinterested person," which is someone who is not now, and within the preceding five (5) years has not been, employed or hired by, or had a business relationship with, either Party or any entity owned or controlled in whole or in part by either Party. The Arbitrator shall provide written disclosure of any circumstances regarding the claim or the Parties that he or she believes might affect his or her impartiality. The Parties shall have seven (7) days after receiving a disclosure in which to disqualify the Arbitrator based upon good faith concerns arising from the written statement. An Arbitrator shall not be disqualified simply because he or she has in the past been hired by attorneys for either Party as part of an arbitration or mediation procedure involving an unrelated subject matter, so long as the Arbitrator discloses such relationship and affirms that he or she is able to impartially consider the matters to be presented in the Arbitration. However, a proposed Arbitrator shall disclose any instances in which he or she has served as a neutral for either Party, and the other Party may disqualify the Arbitrator if such Party has concerns that repeated service as a neutral may render the Arbitrator unable to be impartial. In the absence of agreement by the Parties within twenty (20) days from the date that a Party makes the arbitration demand, JAMS shall, within ten (10) days thereafter, designate a disinterested retired judge from Alameda, San Francisco, San Mateo or Santa Clara counties to be the Arbitrator, either through a process of having the Parties strike names from a list of potential Arbitrators, or by otherwise selecting an Arbitrator at JAMS's discretion. If for any reason an Arbitrator is not selected through the foregoing procedures, then the Presiding Judge of the San Francisco Superior Court shall select a retired judge to be the Arbitrator. As part of such selection, each Party shall be entitled to submit the names and a brief (not more than one page per nominee) biography of up to two (2) proposed retired judges from Alameda, San Francisco, San Mateo or Santa Clara counties to serve as Arbitrator, but the Presiding Judge shall not be required to select any of the Parties' proposed arbitrators. If neither Party files an arbitration demand with JAMS within the Election Period, then either Party may pursue available rights and remedies for the Default in the San Francisco Superior Court.

(c) Arbitration Procedures.

(i) The Arbitration will be conducted in San Francisco before one retired judge sitting as the arbitrator (the "**Arbitrator**") who will be instructed to apply the California Rules of Evidence. The JAMS Comprehensive Arbitration Rules and Procedures effective as of October 1, 2010 will apply, except to the extent specifically modified herein (the

"**JAMS Rules**"). The Parties shall expedite any Arbitration relating to an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment; provided, however, in no event shall discovery end or such Arbitration conclude before CPMC provides to the Arbitrator and the City the auditor's report required by Exhibit F. The cost of the Arbitrator and the JAMS fees shall be split and paid equally by the Parties. The arbitration award shall be final and binding, and is not subject to appeal. Judgment upon the award rendered by the Arbitrator may be entered in any court of competent jurisdiction.

(ii) The Arbitrator shall determine the scope and timing of discovery, which shall include, at a minimum, the following:

(1) In advance of the Parties' exchange of initial lists of percipient witnesses, counsel shall meet and confer about exchanging documents. Either Party may request documents from the opposing Party, and the Arbitrator will resolve any disputes over the scope of documents to be produced.

(2) Counsel shall meet and confer to discuss testimony and depositions. At a time agreed upon by counsel or set by the Arbitrator, the Parties will exchange an initial list of the percipient witnesses each Party reasonably anticipates it will call to testify at the Arbitration. After the exchange of initial lists, a Party may supplement its list of witnesses if the other Party's designations or further discovery or investigation in good faith leads that Party to conclude that the testimony of additional percipient witnesses would be advisable.

(3) At a time agreed upon by counsel or set by the Arbitrator, but after documents have been exchanged and the depositions have been completed, the Parties will simultaneously exchange designations of expert witnesses. The designation of expert witnesses, and the designation of any rebuttal or supplemental expert witnesses, shall be governed by the procedures of Code of Civil Procedure Section 2034 *et seq.*, including that each Party shall have an opportunity to depose each expert witness designated by the opposing Party. At least ten (10) business days in advance of the deposition of the first expert, the Parties shall simultaneously exchange any expert reports, and all documents that are in the experts' possession, custody, or control, or the possession, custody, or control of the Party disclosing the experts and that any expert has relied on or reviewed in preparing his or her opinion.

(4) At a time to be arranged by counsel or the Arbitrator, but at least ten (10) days before the Arbitration hearing commences, each Party will provide the opposing Party with copies of a full set of documents that it intends to introduce at the Arbitration.

(d) Alternate Dispute Resolution Providers. In the event that neither JAMS nor its successor exists at the time for resolving a dispute, then the American Arbitration Association ("**AAA**") or its successor shall be used for arbitration procedures set forth herein; provided, however, the AAA's Commercial Arbitration Rules then in effect (except to the extent specifically modified herein) shall be used instead of the JAMS Rules, including any comparable expedited procedures for any Arbitration for an Operating Margin Failure as applied in connection with the St. Luke's Operating Commitment. If neither JAMS nor AAA nor a successor of either exists, then the arbitration shall be administered by a then-existing alternate dispute

resolution provider located in San Francisco county and agreed to by the Parties. If the parties are not able to agree, then the arbitration provisions of this Agreement shall become null and void and the Parties may pursue available remedies in San Francisco Superior Court.

9.4.6 City Processing. The City shall not be required to process any requests for approval or take other actions under this Agreement during any period in which payments from CPMC are past due.

9.5 Time Limits; Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any condition or failure of performance, including a Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other condition, action or inaction, or cover any other period of time, other than any condition, action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent condition, action or inaction, and the performance of the same or any other term or provision contained in this Agreement. Except as specifically limited in Sections 9.4.4 and 9.4.5, nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

9.6 Attorneys' Fees. Should legal action be brought by either Party against the other for a Default under this Agreement or to enforce any provision herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys' fees and costs. For purposes of this Agreement, "reasonable attorneys' fees and costs" means the reasonable fees and expenses of counsel to the Party, which may include printing, duplicating and other expenses, air freight charges, hiring of experts and consultants, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "reasonable attorneys' fees and costs" shall also include, without limitation, all such reasonable fees and expenses incurred with respect to appeals, mediation, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Agreement, the reasonable fees of attorneys of City Attorney's Office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's Office's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

10. AMENDMENT; TERMINATION; EXTENSION OF TERM

10.1 Amendment or Termination. This Agreement may only be amended with the mutual written consent of the City and CPMC, provided following a Transfer, the City and CPMC or any Transferee may amend this Agreement as it affects CPMC or the Transferee and the portion of the Project Site owned by CPMC or the Transferee without affecting other portions of the Project Site or other Transferees. Other than upon the expiration of the Term and except as provided in Sections 5.6.4, 7.4.3, 9.4.2 and 10.2, this Agreement may only be terminated with the mutual written

consent of the Parties. The amendment or termination, and any required notice thereof, shall be accomplished in the manner provided in the Development Agreement Statute and Chapter 56, except as provided in Section 10.5.

10.2 Early Termination Rights. In addition to the termination rights set forth in Sections 5.6.4, 7.4.3 and 9.4.2, CPMC shall, upon thirty (30) days prior notice to the City, have the right, in its sole and absolute discretion, to terminate this Agreement at any time before the Completion of the Exterior Work for the Cathedral Hill Hospital. If CPMC does not Commence Construction of the Cathedral Hill Hospital by the date which is five (5) years following the Effective Date, the City shall, upon sixty (60) days prior notice to CPMC, have the right, in its sole and absolute discretion, to terminate this Agreement at any time before CPMC Commences Construction of the Cathedral Hill Hospital, provided CPMC can prevent any such termination by the City by providing to the City notice, within the above sixty (60) day period, of CPMC's intent to start construction of the Cathedral Hill Hospital if CPMC thereafter Commences Construction within one hundred twenty (120) days following delivery of CPMC's notice to the City. Any termination under this Section 10.2 shall result in the termination of the entirety of this Agreement (except and to the extent that specific Public Benefits survive pursuant to Section 10.4) affecting all of the Project Sites, and any Transferee shall assume the risk of a termination of this Agreement by CPMC or the City under this Section 10.2.

10.3 Termination and Vesting. Any termination under this Agreement shall concurrently effect a termination of the Approvals, except as to each Approval for a Project Site pertaining to a principal building project (e.g., St. Luke's Hospital, Cathedral Hill Hospital, Cathedral Hill MOB or the Davies Neurosciences Building) that has been commenced in reliance thereon. In the event of any termination of this Agreement by CPMC resulting from a Default by the City and except to the extent prevented by such City Default, CPMC's obligation to complete the Public Benefits shall continue as set forth in Section 10.4 but CPMC shall have the right to reduce the Community Commitments in an amount equal to the costs or losses incurred by CPMC as a direct result of the City's Default, including but not limited to reasonable attorneys' fees and costs not paid by the City, as such costs or losses are determined in the award upholding CPMC's termination of this Agreement. The City's and CPMC's rights and obligations under this Section 10.3 shall survive the termination of this Agreement.

10.4 Effect of Expiration or Termination on the Public Benefits. CPMC's obligations and the City's right to enforce CPMC's obligation to perform, complete and/or maintain the Public Benefits, including but not limited to the St. Luke's Opening Deadline and the St. Luke's Operating Commitment, shall survive the expiration of the Term or termination of this Agreement and remain in effect until completed, subject to the provisions of this Section 10.4. In connection with such survival, the Parties acknowledge and agree that all relevant and applicable provisions of this Agreement shall be deemed to be in effect as such provisions are reasonably necessary in the construction, interpretation or enforcement (including the remedies set forth in this Agreement and the limitations thereon) of this Agreement as to such surviving obligations. CPMC's obligations as to the Public Benefits shall survive the expiration of the Term or termination of this Agreement only as follows:

10.4.1 If this Agreement expires or terminates before CPMC Opens Cathedral Hill Hospital and CPMC does not continue its construction activities on Cathedral Hill Hospital or

Open Cathedral Hill Hospital, CPMC shall perform those Commitment Increments which have arisen prior to expiration or termination.

10.4.2 If this Agreement expires or terminates before CPMC Opens Cathedral Hill Hospital and CPMC is continuing or later resumes construction activities on Cathedral Hill Hospital or seeks GACH Licensure of Cathedral Hill Hospital, CPMC shall perform: (i) those Commitment Increments which have arisen prior to expiration or termination; (ii) each Commitment Increment which arises after expiration or termination, except during any period in which CPMC is not actively performing construction of Cathedral Hill Hospital or seeking GACH Licensure of Cathedral Hill Hospital, during which period the obligation to perform the Commitment Increment shall be tolled; and (iii) the Hospital Commitment and the St. Luke's Operating Commitment.

10.4.3 If this Agreement expires or terminates on or after CPMC Opens the Cathedral Hill Hospital, CPMC shall perform the Hospital Commitment (to the extent not previously completed), each and every Commitment Increment and the St. Luke's Operating Commitment.

10.5 Amendment Exemptions. No issuance of a Subsequent Approval, or amendment of an Approval or Subsequent Approval, shall by itself require an amendment to this Agreement. Upon issuance or approval, any such matter shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the amendment or Subsequent Approval). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to an Approval or Subsequent Approval, then the Parties shall concurrently amend this Agreement (subject to all necessary approvals in accordance with this Agreement) in order to ensure the terms of this Agreement are consistent with the proposed Subsequent Approval or the proposed amendment to an Approval or Subsequent Approval. The Planning Department and the Planning Commission, as applicable, shall have the right to approve changes to the Project as described in the Exhibits in keeping with its customary practices, and any such changes shall not be deemed to conflict with or require an amendment to this Agreement or the Approvals so long as they do not constitute a Material Change. If the Parties fail to amend this Agreement as set forth above when required, however, then the terms of this Agreement shall prevail over any Subsequent Approval or any amendment to an Approval or Subsequent Approval that conflicts with this Agreement. Any modification of this Agreement or the Approvals that is not a Material Change, as determined by the Planning Director and the Director of any affected City Agency after consultation with the City Attorney, may be agreed to by the Planning Commission, the affected City Agency (when applicable), and the City Administrator, each in their sole discretion. Any modification to this Agreement that is a Material Change shall be subject to the review and approval of the above parties as well as the Board of Supervisors by ordinance. Any modification shall require compliance with the Development Agreement Statute and Chapter 56, but the provisions of this Section 10.5 shall apply in lieu of the provisions of Section 56.15 of the Administrative Code.

10.6 Extension Due to Legal Action or Referendum; Excusable Delay.

10.6.1 If any litigation is filed challenging this Agreement (including but not limited to any CEQA determinations) or the validity of this Agreement or any of its provisions, or if this Agreement is suspended pending the outcome of an electoral vote on a referendum, then the

Term shall be extended for the number of days equal to the period starting from the commencement of the litigation or the suspension to the end of such litigation or suspension. The Parties shall document the start and end of this delay in writing within thirty (30) days from the applicable dates.

10.6.2 "**Excusable Delay**" means the occurrence of an event beyond a Party's reasonable control which causes such Party's performance of an obligation hereunder to be delayed, interrupted or prevented, including, but not limited to: changes in Federal or State Laws; strikes or the substantial interruption of work because of labor disputes; inability to obtain materials; freight embargoes; civil commotion, war or acts of terrorism; inclement weather, fire, floods, earthquakes or other acts of God; epidemics or quarantine restrictions; litigation; unforeseen site conditions (including archaeological resources and the presence of hazardous materials); or the failure of any governmental agency, public utility or communication service provider to issue a permit, authorization, consent or approval required to permit construction or as required to satisfy the Hospital Commitment within the standard or customary time period for such issuing authority following CPMC's submittal of a complete application for such permit, authorization, consent or approval, together with any required materials. Excusable Delay shall not include delays resulting from failure to obtain financing or have adequate funds, or the rejection of permit, authorization or approval requests based upon CPMC's failure to satisfy the substantive requirements for the permit, authorization or approval request. In the event of Excusable Delay, the Parties agree that (i) the time periods for performance of the delayed Party's obligations impacted by the Excusable Delay shall be strictly limited to the period of such delay, interruption or prevention and the delayed Party shall, to the extent commercially reasonable, act diligently and in good faith to remove the cause of the Excusable Delay or otherwise complete the delayed obligation, and (ii) following the Excusable Delay and subject to compliance with the terms of Sections 9.2 and 9.3 as applicable, a Party shall have all rights and remedies available under this Agreement, including liquidated damages when applicable, if the obligation is not completed within the time period as extended by the Excusable Delay. If an event which may lead to an Excusable Delay occurs, the delayed Party shall notify the other Party in writing of such occurrence as soon as possible after becoming aware that such event may result in an Excusable Delay, and the manner in which such occurrence is likely to substantially interfere with the ability of the delayed Party to perform under this Agreement. For the purposes of this Agreement, the Parties intend that if an event of Excusable Delay were to impact the timing of the Completion of Construction or Opening of the St. Luke's Hospital such that CPMC, despite commercially reasonable, diligent and good faith efforts to remove the cause of the Excusable Delay or otherwise complete the delayed obligation, would not be able to meet the St. Luke's Completion Deadline or the St. Luke's Opening Deadline, that (i) CPMC may Complete Construction, achieve GACH Licensure and Open the Cathedral Hill Hospital notwithstanding the St. Luke's Completion Deadline and the St. Luke's Opening Deadline and (ii) the City would not be entitled to liquidated damages under Section 9.4.4 for the period of the Excusable Delay; provided, however, CPMC may not rely on Excusable Delay to delay the St. Luke's Completion Deadline or the St. Luke's Opening Deadline if the act or thing that is the cause of the Excusable Delay applies to both the Cathedral Hill Campus and the St. Luke's Campus and CPMC devotes efforts or resources disproportionally to the Cathedral Hill Campus in its efforts to resolve the Excusable Delay.

11. TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE

11.1 Permitted Transfer of this Agreement. At any time, CPMC shall have the right to convey, assign or transfer all or any part of its right, title, and interest in and to the Project

Sites without the City's consent, provided that it also transfers any applicable portion of its interest, rights or obligations under this Agreement (a "**Transfer**") with respect to such portion of the Project Sites to a third party (the "**Transferee**") acquiring an interest in that portion of the Project Sites (the "**Transferred Property**"). For purposes of the foregoing, all of the Public Benefits will apply to, connect and run with the land that is the Cathedral Hill Hospital Site, except for (i) the St. Luke's Operating Commitment and the St. Luke's MOB Commitment, the St. Luke's Health Care Center, the St. Luke's Center of Excellence in Community Health and the St. Luke's Center of Excellence in Senior Health, all as described in this Agreement (including Exhibit F), which apply to, connect and run with the land that is the St. Luke's Campus, (ii) CPMC's obligations in the Workforce Agreement, which apply to, connect and run with the land on which the applicable Workforce Project (as defined in Exhibit E) is to be constructed, and (iii) the STLD Improvements, which apply to the land that is the St. Luke's Campus and the Davies Campus, respectively, as described in Exhibit H. Accordingly, if CPMC conveys or transfers some but not all of the Project Site such that there are separate owners of one or more of the Project Sites, the obligation to perform and complete the Public Benefits shall be separated in the manner set forth above and described in the applicable Assignment and Assumption Agreement. The obligation to undertake the Community Visioning Plans referenced in Section 4.4 shall be the responsibility of the owner of each applicable campus.

11.2 Notice of Transfer. With regard to any proposed Transfer of its interests, rights and obligations under this Agreement, CPMC shall provide not less than ninety (90) days notice to the City before any such Transfer. CPMC shall provide, with such notice, a copy of the assignment and assumption agreement that CPMC proposes to enter into, with a detailed description of what obligations are to be assigned to and assumed by the Transferee and what obligations will be retained by CPMC, and a description of the Transferred Property (each, an "**Assignment and Assumption Agreement**"). Each Assignment and Assumption Agreement shall be in recordable form, in substantially the form attached as Exhibit M, and shall include, among other terms: (i) an agreement and covenant by the Transferee not to challenge the enforceability of any of the provisions or requirements of this Agreement; (ii) a description of the obligations under this Agreement that will be assigned to and assumed by the Transferee and from which CPMC will be released, except to the extent that Exhibit F, Exhibit H or Section 11.7 provide otherwise; (iii) a covenant not to sue the City for any and all disputes solely between CPMC and the Transferee; and (iv) confirmation of all of the indemnifications and releases set forth in this Agreement. The Assignment and Assumption Agreement shall be subject to the consent of the Planning Director, which consent will not be unreasonably withheld, conditioned or delayed and will be limited to confirming that the Assignment and Assumption Agreement satisfies the requirements of this Agreement. It shall not be unreasonable for the Planning Director to refuse to consent if the description of the obligations that will be assigned and assumed are unclear or inconsistent with this Agreement. If Planning Director refuses consent, he or she shall state the reasons for the refusal and the corrections that must be made in order to obtain his or her approval. Each Assignment and Assumption Agreement shall become effective when it is duly executed by the Parties, the Planning Director has executed the consent, and it is recorded in the Official Records. Failure to enter into an Assignment and Assumption Agreement as set forth above upon any conveyance of all or part of the Project Sites shall be a Default by CPMC under this Agreement.

11.3 Release of Liability. Upon recordation of an approved Assignment and Assumption Agreement, CPMC shall be released from any prospective liability or obligation under this Agreement related to the Transferred Property as specified in the Assignment and Assumption

Agreement, and the Transferee shall be deemed to be "CPMC" under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a default by CPMC or a different Transferee with respect to any other portion of the Project Sites and shall not entitle the City to terminate or modify this Agreement with respect to such other portion of the Project Sites, except as otherwise provided herein. Additionally, the annual review provided by Section 8 shall be conducted separately as to CPMC and each Transferee and only as to those obligations that CPMC or such Transferee has under this Agreement.

11.4 CPMC's Responsibility for Performance. It is the intent of the Parties that as the Project is developed all applicable requirements of this Agreement, the Approvals and any Subsequent Approvals shall be met. If CPMC Transfers all or any portion of the Project Sites, CPMC shall continue to be responsible for performing the obligations under this Agreement until such time as the Assignment and Assumption Agreement is recorded as set forth in Section 11.2. The City is entitled to enforce each and every such obligation assumed by each Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert as a defense against the City's enforcement of performance of such obligation that such obligation (i) is attributable to CPMC's breach of any duty or obligation to the Transferee arising out of the Transfer or the Assignment and Assumption Agreement or any other agreement or transaction between CPMC and the Transferee, or (ii) relates to the period before the Transfer. The foregoing notwithstanding, the Parties acknowledge and agree that a failure to complete a Mitigation Measure may, if not completed, delay or prevent a different party's ability to start or complete a specific building or improvement under this Agreement if and to the extent the completion of the Mitigation Measure is a condition to the other party's right to proceed as specifically described in the Mitigation Measure, and CPMC and all Transferees assume this risk. Accordingly, in some circumstances the City may withhold Subsequent Approvals based upon the acts or omissions of a different party.

11.5 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Sites is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Sites. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Sites and undertakes any development activities at the Project Sites, is, and shall be, constructively deemed to have consented and agreed to, and is obligated by all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Sites.

11.6 Rights of CPMC. The provisions in this Section 11 shall not be deemed to prohibit or otherwise restrict CPMC from (i) granting easements or licenses to facilitate development of the Project Sites, (ii) encumbering the Project Sites or any portion of the improvements thereon by any mortgage, deed of trust, or other device securing financing with respect to the Project Sites or Project, (iii) granting a leasehold interest in portions of the Project Sites, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or

(v) transferring all or a portion of the Project Site pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage.

11.7 Transfer and the St. Luke's Opening Deadline and St. Luke's Operating Commitment. If CPMC transfers the St. Luke's Campus and the Transferee that owns the St. Luke's Campus Defaults as to the St. Luke's Opening Deadline or the St. Luke's Operating Commitment for any reason (other than a City Default), including but not limited to bankruptcy, then CPMC as owner of the Cathedral Hill Hospital Site, or any successor owner of the Cathedral Hill Hospital Site, will be responsible for payment of the applicable liquidated damages set forth in Section 9.4.4(a) or (b), if and when such payments become due and owing, or otherwise causing compliance with such obligations. The provisions of this Section 11.7 shall survive the termination or expiration of this Agreement for the period during which the St. Luke's Operating Commitment remains in effect and shall continue until the date that any required payments that arise before such date are made.

12. CPMC REPRESENTATIONS AND WARRANTIES

12.1 Interest of CPMC; Due Organization and Standing. CPMC represents that it is the legal owner of the Project Sites. CPMC is a California corporation, duly organized and validly existing and in good standing under the laws of the State of California. CPMC has all requisite power to own its property and authority to conduct its business as presently conducted. CPMC represents and warrants that there is no existing lien or encumbrance recorded against the Cathedral Hill Campus or the St. Luke's Campus that, upon foreclosure or the exercise of remedies, would permit the beneficiary of the lien or encumbrance to eliminate or wipe out the obligations set forth in this Agreement that run with applicable land.

12.2 No Inability to Perform; Valid Execution. CPMC represents and warrants that it is not a party to any other agreement that would conflict with CPMC's obligations under this Agreement and it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by CPMC have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of CPMC, enforceable against CPMC in accordance with its terms.

12.3 Conflict of Interest. Through its execution of this Agreement, CPMC acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the California Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the Term.

12.4 Notification of Limitations on Contributions. Through execution of this Agreement, CPMC acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a

prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

12.5 Other Documents. To the current, actual knowledge of **[individual name/names to be inserted]** after reasonable inquiry, no document furnished by CPMC to the City with its application for this Agreement nor this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein, or herein, not misleading under the circumstances under which any such statement shall have been made.

12.6 No Bankruptcy. CPMC represents and warrants to the City that CPMC has neither filed nor is the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors, and, to the best of CPMC's knowledge, no such filing is threatened.

13. MISCELLANEOUS PROVISIONS

13.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, and the agreements specifically referenced in this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter contained herein.

13.2 Incorporation of Exhibits. Except for the Approvals which are listed solely for the convenience of the Parties, each Exhibit to this Agreement is incorporated herein and made a part hereof as if set forth in full. Each reference to an Exhibit in this Agreement shall mean that Exhibit as it may be updated or amended from time to time in accordance with the terms of this Agreement.

13.3 Binding Covenants; Run With the Land. Pursuant to Section 65868 of the Development Agreement Statute, from and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and, subject to Section 11, their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Project Sites, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Subject to the provisions on Transfers set forth in Section 11, all provisions of this Agreement shall be enforceable during the term hereof as equitable servitudes and constitute covenants and benefits running with the land pursuant to applicable Law, including but not limited to California Civil Code Section 1468.

13.4 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and the City and County of San Francisco shall be the venue for

any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

13.5 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both the City and CPMC. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Approvals shall be deemed to refer to this Agreement or the Approvals as amended from time to time pursuant to the provisions of this Agreement, whether or not the particular reference refers to such possible amendment. In the event of a conflict between the provisions of this Agreement and Chapter 56, the provisions of this Agreement will govern and control.

13.6 Project Is a Private Undertaking; No Joint Venture or Partnership.

13.6.1 The development proposed to be undertaken by CPMC on the Project Sites is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of said improvements. CPMC shall exercise full dominion and control over the Project Sites, subject only to the limitations and obligations of CPMC contained in this Agreement.

13.6.2 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and CPMC. Neither Party is acting as the agent of the other Party in any respect hereunder. CPMC is not a state or governmental actor with respect to any activity conducted by CPMC hereunder.

13.7 Recordation. Pursuant to the Development Agreement Statute and Chapter 56, the Clerk of the Board of Supervisors shall have a copy of this Agreement recorded in the Official Records within ten (10) days after the Effective Date of this Agreement or any amendment thereto, with costs to be borne by CPMC.

13.8 Obligations Not Dischargeable in Bankruptcy. CPMC's obligations under this Agreement are not dischargeable in bankruptcy.

13.9 Survival. Subject to the provisions of Section 10.4, following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect except for any provisions which, by their express terms, survive the expiration or termination of this Agreement.

13.10 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

13.11 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate/Finance

To CPMC:

Warren Browner, M.D.
CEO, San Francisco Hospitals
West Bay Region, Sutter Health
2351 Clay Street, 7th Floor
San Francisco, CA 94115

with a copy to:

Michael A. Duncheon, Esq.
VP & Regional Counsel, West Bay Region
Sutter Health
633 Folsom Street, Seventh Floor
San Francisco, CA 94107

13.12 Limitations on Actions. Pursuant to Section 56.19 of the Administrative Code, any decision of the Board of Supervisors made pursuant to Chapter 56 shall be final. Any court action or proceeding to attack, review, set aside, void, or annul any final decision or determination by the Board of Supervisors shall be commenced within ninety (90) days after such decision or determination is final and effective. Any court action or proceeding to attack, review, set aside, void or annul any final decision by (i) the Planning Director made pursuant to Administrative

Code Section 56.15(d)(3) or (ii) the Planning Commission pursuant to Administrative Code Section 56.17(e) shall be commenced within ninety (90) days after said decision is final.

13.13 Severability. Except as is otherwise specifically provided for in this Agreement with respect to any Laws which conflict with this Agreement, if any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of this Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

13.14 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. CPMC acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

13.15 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

13.16 Sunshine. CPMC understands and agrees that under the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act (California Government Code Section 6250 *et seq.*), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. To the extent that CPMC in good faith believes that any financial materials reasonably requested by the City constitutes a trade secret or confidential proprietary information protected from disclosure under the Sunshine Ordinance and other Laws, CPMC shall mark any such materials as such. When a City official or employee receives a request for information that has been so marked or designated, the City may request further evidence or explanation from CPMC. If the City determines that the information does not constitute a trade secret or proprietary information protected from disclosure, the City shall notify CPMC of that conclusion and that the information will be released by a specified date in order to provide CPMC an opportunity to obtain a court order prohibiting disclosure.

[signatures follow on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Rahaim
Director of Planning

Approved on _____
Board of Supervisors Ordinance No. _____

Approved and Agreed:

By: _____
Naomi Kelly, City Administrator

By: _____
Mohammad Nuru,
Director of Public Works

By: _____
Barbara A. Garcia, MPA,
Director of Public Health

Approved as to form:

DENNIS J. HERRERA, City Attorney

By: _____
Charles Sullivan, Deputy City Attorney

CPMC:

SUTTER WEST BAY HOSPITALS,
a California non-profit public benefit corporation

By: _____
Mike Cohill, its President

By: _____
John Gates, its Chief Financial Officer

Approved as to form:

By: _____
Michael Duncheon, its Regional Counsel, West Bay Office of the General Counsel

DRAFT
6/20/2012

CONSENT TO DEVELOPMENT AGREEMENT
San Francisco Municipal Transportation Agency

The Municipal Transportation Agency of the City and County of San Francisco ("**SFMTA**") has reviewed the Development Agreement (the "**Development Agreement**") between the City and SUTTER WEST BAY HOSPITALS, a California non-profit public benefit corporation doing business as California Pacific Medical Center ("**CPMC**") to which this Consent to Development Agreement (this "**SFMTA Consent**") is attached and incorporated. Except as otherwise defined in this SFMTA Consent, initially capitalized terms have the meanings given in the Development Agreement.

By executing this SFMTA Consent, the undersigned confirms that the SFMTA Board of Directors, after considering at a duly noticed public hearing the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program contained or referenced therein, consented to and agrees to be bound by the Development Agreement as it relates to matters under SFMTA jurisdiction, including the Transportation Program and the transportation-related Mitigation Measures.

By executing this SFMTA Consent, the SFMTA does not intend to in any way limit, waive or delegate the exclusive authority of the SFMTA as set forth in Article VIIIA of the City's Charter.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through the
SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____
EDWARD D. REISKIN,
Director of Transportation

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

EXHIBIT A-1

Saint Luke's Campus Legal Description

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Lots 1 and 2, Assessor's Block 6575 and Lot 21, Assessor's Block 6576, as said Lots and Blocks are shown on that certain Parcel Map filed December 17, 1976, in Book 5 of Parcel Maps, at Page 8, Official Records of City and County of San Francisco, State of California.

APN: Block 6575, Lot 001, Block 6575, Lot 002 and Block 6576, Lot 021

EXHIBIT A-2

Cathedral Hill Campus Legal Description

Cathedral Hill Hospital Site

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel One:

Commencing at a point on the southerly line of Post Street, distant thereon 57.50 feet westerly of the westerly line of Van Ness Avenue; running thence at a right angle southerly, parallel with said line of Van Ness Avenue, 56.83 feet; thence at a right angle westerly, parallel with said line of Post Street, 327.25 feet to the easterly line of Franklin Street; thence at a right angle northerly, along said line of Franklin Street, 56.83 feet to said southerly line of Post Street; thence at a right angle easterly, along said line of Post Street, 327.25 feet to the point of commencement.

Being a portion of Western Addition Block No. 83.

APN: Block 0695, Lot 005

Parcel Two:

Beginning at the intersection of the westerly line of van Ness Avenue and the northerly line of Geary Street; running thence westerly along the said line of Geary Street, 384 feet 9 inches to the point of intersection of the northerly line of Geary Street and the easterly line of Franklin Street; thence northerly along the said easterly line of Franklin Street, 275 feet to the intersection of the easterly line of Franklin Street and the southerly line of Post Street; thence at a right angle easterly, along the said southerly line of Post Street, 384 feet 9 inches to the intersection of the southerly line of Post Street and the westerly line of Van Ness Avenue; thence at a right angle southerly, along the westerly line of Van Ness Avenue, 275 feet to the northerly line of Geary Street and the point of commencement.

Excepting therefrom the following described property:

Commencing at a point on the southerly line of Post Street, distant thereon 57.50 feet westerly of the westerly line of Van Ness Avenue; running thence at a right angle southerly, parallel with said line of Van Ness Avenue, 56.83 feet; thence at a right angle westerly, parallel with said line of Post Street, 327.25 feet to the easterly line of Franklin Street; thence at a right angle northerly, along said line of Franklin Street, 56.83 feet to said southerly line of Post Street; thence at a right angle easterly, along said line of Post Street, 327.25 feet to the point of commencement.

Being a portion of Western Addition Block No. 83.

APN: Block 0695, Lot 006

Cathedral Hill MOB Site

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel 1:

Beginning at a point on the northerly line of Geary Street, distant thereon 82 feet and 6 inches westerly from the westerly line of Polk Street; running thence westerly along said line of Geary Street 27 feet and 6 inches; thence at a right angle northerly 120 feet to the southerly line of Cedar Street; thence at a right angle easterly along said line of Cedar Street 27 feet and 6 inches; and thence at a right angle southerly 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 005

Parcel 2:

Beginning at a point on the northerly line of Geary Street, distant thereon 110 feet westerly from the westerly line of Polk Street; running thence westerly along said line of Geary Street 27 feet and 6 inches; thence at a right angle northerly 120 feet to the southerly line of Cedar Street; thence at a right angle easterly along said line of Cedar Street 27 feet and 6 inches; and thence at a right angle southerly 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 006

Parcel 3:

Beginning at a point on the northerly line of Geary Street, distant thereon 137 feet and 6 inches westerly from the westerly line of Polk Street; running thence westerly along said line of Geary Street 27 feet and 6 inches; thence at a right angle northerly 120 feet to the southerly line of Cedar Avenue; thence running easterly along said line of Cedar Avenue 27 feet and 6 inches; thence at a right angle southerly 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 007

Parcel 4:

Beginning at a point on the northerly line of Geary Street, distant thereon 164 feet easterly from the easterly line of Van Ness Avenue; running thence easterly and along said line of Geary Street 55 feet; thence at a right angle northerly 120 feet to the southerly line of Cedar Street; thence at a right angle westerly along said line of Cedar Street 55 feet; and thence at a right angle southerly 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 008

Parcel 5:

Commencing at a point on the northerly line of Geary Street, distant thereon 138 feet easterly from the easterly line of Van Ness Avenue; running thence easterly and along said line of Geary Street, 26 feet; thence at a right angle northerly 120 feet to the southerly line of Cedar Street; thence at a right angle westerly along said line of Cedar Street 26 feet; and thence at a right angle southerly 120 feet to the point of commencement.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 009

Parcel 6:

Beginning at a point on the northerly line of Geary Street, distant thereon 109 feet easterly from the easterly line of Van Ness Avenue; running thence northerly and parallel with the easterly line of Van Ness Avenue 120 feet to the southerly line of Cedar Street; thence at a right angle easterly 29 feet; thence at a right angle southerly 120 feet to the northerly line of Geary Street; thence at a right angle westerly 29 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 009A

Parcel 7:

Beginning at the point of intersection of the northerly line of Geary Street with the easterly line of Van Ness Avenue; running thence easterly along said northerly line of Geary Street 109 feet; thence at a right angle northerly 120 feet to the southerly line of Cedar Street; thence at a right angle westerly along said southerly line of Cedar Street 109 feet to the easterly line of of Van Ness Avenue; thence at a right angle southerly along said easterly line of Van Ness Avenue 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 59.

APN: Block 0694, Lot 010

1375 Sutter Street Medical Office Building Site

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel 1:

Beginning at the point of intersection of the southerly line of Sutter Street and the easterly line of Franklin Street; running thence easterly along said line of Sutter Street, 42 feet and 6 inches; thence at a right angle southerly 120 feet to the northerly line of Hemlock Street (formerly Walnut Avenue); thence at a right angle westerly, along said line of Hemlock Street, 42 feet and 6 inches to the easterly line of Franklin Street; thence at a right angle northerly, along said line of Franklin Street, 120 feet to the point of beginning.

Parcel 2:

Beginning at a point on the southerly line of Sutter Street, distant thereon 42 feet and 6 inches easterly from the easterly line of Franklin Street; running thence easterly along said line of Sutter Street, 40 feet; thence at right angles southerly 120 feet to the northerly line of Hemlock Street; thence at a right angle westerly 40 feet; thence at a right angle northerly 120 feet to the point of beginning.

Parcel 3:

Beginning at a point on the southerly line of Sutter Street, distant thereon 169 feet and 9 inches westerly from the westerly line of Van Ness Avenue; running thence westerly along said line of Sutter Street, 132 feet and 6 inches; thence at a right angle southerly 120 feet fo the northerly line of Hemlock Street; thence at a right angle easterly, along said line of Hemlock Street, 132 feet and 6 inches; thence at a right angle, 120 feet to the point of beginning.

Being a portion of Western Addition Block No. 84.

APN: Block 0690, Lot 016

EXHIBIT A-3

Davies Campus Legal Description

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at the point of intersection of the northerly line of Fourteenth Street with the easterly line of Castro Street; running thence northerly along the easterly line of Castro Street, 560 feet to the southerly line of Duboce Avenue; thence at a right angle, easterly along the southerly line of Duboce Avenue, 560 feet to the westerly line of Noe Street; thence at a right angle, southerly along the westerly line of Noe Street, 560 feet to the northerly line of Fourteenth Street; and thence at a right angle, westerly along the northerly line of Fourteenth Street, 560 feet to the point of beginning.

Being all of Mission Block No. 119

APN: Block 3539, Lot 001

EXHIBIT A-4

Pacific Campus Legal Description

Parcel 1 (2400 Clay)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Commencing at the point formed by the intersection of the northerly line of Clay Street with the westerly line of Webster Street; and running thence westerly along said line of Clay Street 90 feet; thence at a right angle northerly 33 feet; thence at a right angle easterly 90 feet to the westerly line of Webster Street; thence at a right angle southerly along said line of Webster Street 33 feet to the point of commencement.

Being a portion of Western Addition Block 316.

APN: Block 0612, Lot 008

Parcel 2 (2315 Buchanan)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the westerly line of Buchanan Street, distant thereon 77 feet and 8-1/4 inches southerly from the southerly line of Washington Street; running thence southerly along said line of Buchanan Street 50 feet; thence at a right angle westerly 105 feet; thence at a right angle northerly 50 feet; thence at a right angle easterly 105 feet to the point of beginning.

Being a portion of Western Addition Block No. 269.

APN: Block 0613, Lot 002

Parcel 3 (2333 Buchanan, 2200 Webster & 2330, 2340-2360 Clay, Clay Street Tunnel)

Lot 29, as shown on that certain map entitled, "Parcel Map of a Portion of Assessor's Block No. 628, San Francisco, California" recorded on September 1, 1983, in parcel map book 26 at pages 42 and 43, official records of the City and County of San Francisco, State of California.

APN: Block 0613, Lot 029

Parcel 4 (2333 Buchanan, 2324 Sacramento & 2351 Clay)

Lot 14, as shown on that certain map entitled, "Parcel Map of a Portion of Assessor's Block No. 628, San Francisco, California" recorded on September 1, 1983, in parcel map book 26 at pages 42 and 43, official records of the City and County of San Francisco, State of California.

APN: Block 0628, Lot 014

Parcel 5 (2405 Clay – Parking Garage)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel A:

Commencing at the point of intersection of the southerly line of Clay Street with the westerly line of Webster Street; running thence southerly along said westerly line of Webster Street 27 feet, 4-1/2 inches; thence at a right angle westerly 90 feet, 6 inches; thence at a right angle northerly 27 feet, 4-1/2 inches to the southerly line of Clay Street; thence at a right angle easterly along the last named line 90 feet, 6 inches to the point of commencement.

Being a portion of Western Addition Block No. 315.

Parcel B:

Beginning at a point on the westerly line of Webster Street, distant thereon 27.375 feet southerly from the southerly line of Clay Street; running thence southerly and along said line of Webster Street 100 feet; thence at a right angle westerly 265.561 feet to a point perpendicularly distant 146.939 feet easterly from the easterly line of Fillmore Street; thence at a right angle northerly 127.375 feet to the southerly line of Clay Street; thence at a right angle easterly and along said line of Clay Street 171.811 feet; thence at a right angle southerly 102.375; thence at a right angle easterly 3.250 feet; thence at a right angle northerly 75 feet; thence at a right angle easterly 90.500 feet to the point of beginning.

Being a portion of Western Addition Block No. 315.

Parcel C:

Beginning at a point on the southerly line of Clay Street, distant thereon 90 feet and 6 inches westerly from the westerly line of Webster Street; running thence westerly and along said line of Clay Street 3 feet and 3 inches; thence at a right angle southerly 102.375 feet; thence at a right angle easterly 3 feet and 3 inches; thence at a right angle northerly 102.375 feet to the point of beginning.

Being a portion of Western Addition Block No. 315.

APN: Block 0629, Lots 041 and 044

Parcel 6 (2300 California)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at the point of intersection of the westerly line of Webster Street with the northerly line of California Street; running thence westerly along said line of California Street 52 feet and 3 inches; thence at a right angle northerly 82 feet and 7-1/8 inches; thence at a right angle westerly 52 feet; thence at a right angle northerly 100 feet to a point perpendicularly distant 82 feet and 7-1/8 inches southerly from the southerly line of Sacramento Street; thence at a right angle easterly and parallel with said line of Sacramento Street 104 feet and 3 inches to the westerly line of Webster Street; thence at a right angle southerly along said line of Webster Street 182 feet and 7-1/8 inches to the point of beginning.

Being portion of Western Addition Block No. 314.

APN: Block 0636, Lot 033

Parcel 7 (2018 Webster)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the easterly line of Webster Street distant thereon 132 feet and 6 inches northerly from the northerly line of California Street; running thence northerly along said line of Webster Street 31 feet and 4 1/8 inches; thence at a right angle easterly 100 feet; thence at a right angle southerly 31 feet and 4 1/8 inches; thence at a right angle westerly 100 feet to the point of beginning.

Being a portion of Western Addition Block No. 271

APN: Block 0637, Lot 014

Parcel 8 (Library Garden)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the easterly line of Webster Street, distant thereon 66 feet, 4-1/8 inches southerly form the southerly line of Sacramento Street; running thence southerly along said line of Webster Street 35 feet; thence at a right angle easterly 100 feet; thence at a right angle northerly 35 feet; thence at a right angle westerly 100 feet to the point of beginning.

Being a portion of Western Addition Block No. 271.

APN: Block 0637, Lot 015

Parcel 9 (2395 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at the point of intersection of the southerly line of Sacramento Street with the easterly line of Webster Street; running thence easterly along said line of Sacramento Street 137 feet and 6 inches; thence at a right angle southerly 132 feet and 8-1/4 inches; thence at a right angle westerly 37 feet and 6 inches; thence at a right angle northerly 66 feet and 4-1/8 inches; thence at a right angle westerly 100 feet to the easterly line of Webster Street; thence at a right angle northerly along said line of Webster Street 66 feet and 4-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 271.

APN: Block 0637, Lot 016

Parcel 10 (2329 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Commencing at a point on the southerly line of Sacramento Street, distant thereon 137 feet, 6 inches easterly from the easterly line of Webster Street, running thence easterly and along said line of Sacramento Street 30 feet; thence at a right angle southerly 132 feet, 8-1/4 inches; thence at a right angle westerly 30 feet; thence at a right angle northerly 132 feet, 8-1/4 inches to the point of commencement.

Being a portion of Western Addition Block 271.

APN: Block 0637, Lot 017

Parcel 11 (2323 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 167 feet, 6 inches easterly from the easterly line of Webster Street; running thence easterly along said line of Sacramento Street 73 feet, 1-1/2 inches; thence at a right angle southerly 132 feet, 8-1/4 inches; thence at a right angle westerly 73 feet, 1-1/2 inches; and thence at a right angle northerly 132 feet, 8-1/4 inches to the point of beginning.

Being a portion of Western Addition Block No. 271.

APN: Block 0637, Lot 018

Parcel 12 (2315 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 137 feet and 6 inches westerly from the westerly line of Buchanan Street; running thence westerly along said southerly line of Sacramento Street 34 feet, 4 and 1/2 inches; thence at a right angle southerly 132 feet 8 and 1/4 inches; thence at a right angle easterly 34 feet 4 and 1/2 inches, and thence at a right angle northerly 132 feet 8 and 1/4 inches to the point of beginning.

Being a portion of Western Addition Block No. 271.

APN: Block 0637, Lot 019

EXHIBIT A-5

California Campus Legal Description

Parcel A (3901 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at the point of intersection of the Southerly line of Sacramento Street with the Westerly line of Cherry Street; running thence Westerly along said line Sacramento Street 34 feet, 1 inch; thence at a right angle Southerly 82 feet; thence at a right angle Easterly 34 feet, 1 inch to the Westerly line of Cherry Street, thence at a right angle Northerly along said line of Cherry Street 82 feet to the point of beginning.

Being a portion of Western Addition Block No. 847.

APN: Block 1015, Lot 001

Parcel B (3848-3850 California)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the northerly line of California Street, distant thereon 318 feet 6 inches easterly from the easterly line of Arguello Boulevard, running thence easterly along said northerly line of California Street 27 feet and 2-3/4 inches; thence at a right angle northerly 132 feet and 5/8 of an inch; thence at a right angle Westerly 27 feet and 2-3/4 inches; thence at a right angle southerly 132 feet and 5/8 of an inch to the point of beginning.

Being a portion of Western Addition Block No. 847.

APN: Block 1015, Lot 016

Parcel C (3905 Sacramento)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 34 feet and 1 inch Westerly from the Westerly line of Cherry Street; running thence Westerly along said line of Sacramento Street 100 feet; thence at a right angle southerly 132 feet and 7-1/8 inches; thence at a right angle easterly 134 feet and 1 inch to the Westerly line of Cherry Street; thence at a right angle northerly along said line of Cherry Street 50 feet and 7-1/8 inches; thence at a right angle Westerly 34 feet and 1 inch; thence at a right angle northerly 82 feet to the point of beginning.

Being a portion of Western Addition Block No. 847.

APN: Block 1015, Lot 052

Parcel D (460 Cherry)

All of that certain real property situated in the City and County of San Francisco, State of California, described as follows:

Parcel 1:

Beginning at the point of intersection of the northerly line of California Street with the Westerly line of Cherry Street; running thence Westerly along said line of California Street 33 feet; thence at a right angle northerly 48 feet; thence at a right angle easterly 33 feet to the Westerly line of Cherry Street; thence at a right angle southerly along said line of Cherry Street 48 feet to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel 2:

Beginning at a point on the northerly line of California Street, distant thereon 33 feet Westerly from the Westerly line of Cherry Street; running thence Westerly along said line of California Street 25 feet; thence at a right angle northerly 107 feet and 7-1/8 inches; thence at a right angle easterly 25 feet; and thence at a right angle southerly 107 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel 3:

Beginning at a point on the northerly line of California Street, distant thereon 58 feet Westerly from the Westerly line of Cherry Street; running thence Westerly along said line of California Street 25 feet; thence at a right angle northerly 107 feet and 7-1/8 inches; thence at a right angle easterly 25 feet; thence at a right angle southerly 107 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel 4:

Beginning at a point on the northerly line of California Street, distant thereon 83 feet Westerly from the Westerly line of Cherry Street; running thence Westerly and along said line of California Street 25 feet; thence at a right angle northerly 107 feet and 7-1/8 inches; thence at a right angle easterly 25 feet; thence at a right angle southerly 107 feet and 7-1/8 inches to the point of beginning.

Being portion of Western Addition Block No. 847.

Parcel 5:

Beginning at a point on the northerly line of California Street, distant thereon 108 feet Westerly from the Westerly line of Cherry Street; running thence Westerly along said line of California Street 25 feet; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle easterly 25 feet; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being portion of Western Addition Block No. 847.

Parcel 6:

Beginning at a point on the Westerly line of Cherry Street, distant thereon 48 feet northerly from the northerly line of California Street; running thence northerly along said line of Cherry Street 59 feet and 7-1/8 inches; thence at a right angle Westerly 33 feet; thence at a right angle southerly 59 feet and 7-1/8 inches; thence at a right angle easterly 33 Feet to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel 7:

Beginning at a point on the Westerly line of Cherry Street, distant thereon 107 feet and 7-1/8 inches northerly from the northerly line of California Street; running thence northerly along the Westerly line of Cherry Street 25 feet; thence at a right angle Westerly 108 feet; thence at a right angle southerly 25 feet; thence at a right angle easterly 108 feet to the point of beginning.

Being a portion of Western Addition Block No. 847.

APN: Block 1015, Lot 53

Parcel E (3838 California)

All of that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel I:

Beginning at a point in the northerly line of California Street, distant thereon 133 feet Westerly from the Westerly line of Cherry Street; running thence Westerly along said line of California Street 25 feet; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle easterly 25 feet; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel II:

Beginning at a point on the northerly line of California Street, distant thereon 158 feet Westerly from the Westerly line of Cherry Street; running thence Westerly and along said line of California Street 105 feet; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle easterly 105 feet; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 847.

Parcel III:

Beginning at a point on the northerly line of California Street, distant thereon 263 feet Westerly from the Westerly line of Cherry Street; running thence Westerly along said northerly line of California Street 34 feet and 3 inches to a point hereby for convenience designated as "Point A"; thence at a right angle northerly 132 feet and 5/8 of an inch; thence easterly and parallel with said northerly line of California Street 19 feet, more or less, to a point hereby for convenience described as "Point B", which said "Point B" is the point where said line 19 feet, more or less long, would intersect a straight line drawn from "Point A" to a point hereby for convenience designated as "Point C", and which said "Point C" is distant 278 feet and 2 inches at a right angle Westerly from the Westerly line of Cherry Street and is also distant 132 feet and 7-1/8 inches at a right angle southerly from the southerly line of Sacramento Street; running thence in a straight line from "Point B" to "Point C" Northeasterly 6-1/2 inches; thence easterly and parallel with said northerly line of California Street 15 feet and 2 inches; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 847.

APN: Block 1015, Lot 054

Parcel F (3700 California, 3801 Sacramento)

All that certain real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

Beginning at the point of intersection of the southerly line of Sacramento Street and the Westerly line of Maple Street; running thence southerly along said line of Maple Street 265 feet and 2-1/4 inches to the northerly line of California Street; thence Westerly along said California Street 412 feet and 6 inches to the easterly line of Cherry Street; thence northerly along said line of Cherry Street 265 feet and 2-1/4 inches to the southerly line of Sacramento Street; thence easterly a long said Sacramento Street 412 feet and 6 inches to the point of beginning.

Being all of Western Addition Block No. 846.

APN: Block 1016, Lots 001, 002, 003, 004, 005, 006, 007, 008, 009.

Parcel G (3698 California; 3773 Sacramento)

All that certain real property in the City and County of San Francisco, State of California, described as follows:

Parcel One:

Beginning at the point of intersection of the northerly line of California Street with the easterly line of Maple Street; running thence northerly along the easterly line of Maple Street 132 feet and 6 inches; thence at a right angle easterly 110 feet; thence at a right angle northerly 1-1/8 inches; thence at a right angle easterly 87 feet and 6 inches; thence at a right angle southerly 132 feet and 7-1/8 inches to the northerly line of California Street; thence at a right angle Westerly along said northerly line of California Street 197 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 833

Parcel Two:

Beginning at the point of intersection of the southerly line of Sacramento Street with the easterly line of Maple Street; running thence easterly along said line of Sacramento Street 34 feet and 6 inches; thence at a right angle southerly 102 feet and 8-1/4 inches; thence at a right angle Westerly 34 feet and 6 inches to the easterly line of Maple Street; thence at a right angle northerly along said line of Maple Street 102 feet and 8-1/4 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Three:

Beginning at a point on the easterly line of Maple Street, distant thereon 102 feet and 8-1/4 inches southerly from the southerly line of Sacramento Street; running thence southerly along said line of Maple Street 29 feet and 10-7/8 inches; thence at a right angle easterly 112 feet and 6 inches; thence at a right angle northerly 25 feet; thence at a right angle Westerly 78 feet; thence at a right angle northerly 4 feet and 10-7/8 inches; thence at a right angle Westerly 34 feet and 6 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Four:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 34 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of Sacramento Street 28 feet; thence at a right angle southerly 107 feet and 7-1/8 inches; thence at a right angle Westerly 28 feet; thence at a right angle northerly 107 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Five:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 62 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly and along said southerly line of Sacramento Street 25 feet; thence at a right angle southerly 107 feet and 7-1/8 inches; thence at a right angle Westerly 25 feet; Thence at a right angle northerly 107 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Six:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 87 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of Sacramento Street 25 feet; thence at a right angle southerly 107 feet and 7-1/8 inches; thence at a right angle Westerly 25 feet; thence at a right angle northerly 107 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Seven:

Beginning at a point on the easterly line of Maple Street, distant thereon 132 feet and 6 inches northerly from the northerly line of California Street; running thence northerly along said easterly line of Maple Street 1-1/8 inches; thence at a right angle easterly 110 feet; thence at right angle southerly 1-1/8 inches; thence at a right angle Westerly 110 feet to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Eight:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 112 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of Sacramento Street 52 feet and 6 inches; thence at a right angle southerly 132 feet and 7-1/8 inches; thence at a right angle Westerly 52 feet and 6 inches; thence at a right angle northerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Nine:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 165 feet easterly from the easterly line of Maple Street; running thence easterly along the southerly line of Sacramento Street 27 feet and 6 inches; thence at a right angle southerly 132 feet and 7-1/8 inches; thence at a right angle Westerly 27 feet and 6 inches; thence at a right angle northerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Ten:

Beginning at a point on the northerly line of California Street, distant thereon 197 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of California Street 25 feet; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle Westerly 25 feet; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Eleven:

Beginning at a point of the northerly line of California Street, distant thereon 222 feet and 6 inches easterly from the easterly line of Maple Street, running thence easterly along said line of California Street 25 feet; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle westerly 25 feet; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Twelve:

Beginning at a point on the northerly line of California Street, distant thereon 247 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of California Street 25 feet, thence at a right angle northerly 132 feet and 7-1/8 inches, thence at a right angle westerly 25 feet: thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Thirteen:

Beginning at a point on the northerly line of California Street. distant thereon 112 feet and 6 inches westerly from the westerly line of Spruce Street; running thence westerly along said line of California Street 27 feet and 6 inches; thence at a right angle northerly 132 feet and 7-1/8 inches; thence at a right angle easterly 27 feet and 6 inches; thence at a right angle southerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

Parcel Fourteen:

Beginning at a point on the southerly line of Sacramento Street, distant thereon 192 feet and 6 inches easterly from the easterly line of Maple Street; running thence easterly along said line of Sacramento Street 27 feet and 6 inches; thence at a right angle southerly 132

feet and 7-1/8 inches; thence at a right angle westerly 27 feet and 6 inches: thence at a right angle northerly 132 feet and 7-1/8 inches to the point of beginning.

Being a portion of Western Addition Block No. 833.

APN: Block 1017, Lots 027 and 028

EXHIBIT B-1

St. Luke's Campus Project Description[1]

ST. LUKE'S CAMPUS (ALL NEAR-TERM)[2]

1. St. Luke's Replacement Hospital

- Demolition of the Redwood Administration Building[3] and improvements on existing surface parking lot at 3615 Cesar Chavez Street.
- Construction of the St. Luke's Replacement Hospital, a 146,410 g.s.f., five-story hospital, adjacent to and west of the existing St. Luke's Hospital Tower and over a portion of the former San Jose Avenue right-of-way between Cesar Chavez Street and 27th Street, providing approximately 80 acute care beds, and an emergency department. The St. Luke's Replacement Hospital may include, but is not limited to, inpatient medical care, diagnostic and treatment space, surgical care, critical care, labor and delivery, post-partum care, cafeteria, loading area, and central utility plant space.

2. Hospital Demolition and Plaza/Pedestrian Improvements

- Demolition of St. Luke's Hospital Tower.
- Construction of entry plaza, courtyard and public pedestrian pathway along a similar path of travel as the former San Jose Avenue right-of-way between Cesar Chavez Street and 27th Street.

3. Medical Office Building (MOB)

- Removal of MRI Trailer and passageway to 1912 Building and closure of the 1912 Building's western exterior wall that connects to the MRI Trailer.
- Construction on the former St. Luke's Hospital Tower site of an approximately 104,008 g.s.f., five-story building, including medical office space, retail and education/conference space, and parking on four below-ground levels including approximately 220 parking space, with vehicular access to the underground parking garage from Cesar Chavez and Valencia Streets.

4. Streetscape and Additional Improvements

- Street Improvements
  - Cesar Chavez Street sidewalk replacement and partial widening (south side along entire property frontage);
  - Pedestrian bulbouts on Cesar Chavez Street at Guerrero Street and Valencia Street;

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[1] All square footages herein are approximate.

[2] As more particularly described in Planning Commission Motion No. ____ dated ____, and any Subsequent Approvals.

[3] All initially capitalized building names are as defined in the FEIR.

- Sidewalk replacement/widening/bulbouts along the west side of Valencia Street between Cesar Chavez Street and Duncan Street;
- 27th Street sidewalk replacement (north side, from western property line of the St. Luke's Campus to its terminus at San Jose Avenue);
- San Jose Avenue sidewalk replacement (east side from 27th Street to the south façade of the Hartzell Building), and including a curb ramp connector with corresponding curb ramp improvement on the southwest corner of 27th Street and San Jose Avenue; and
- Tree planting/replacement, landscaping and other streetscape improvements along portions of Cesar Chavez Street, Valencia Street, Duncan Street, 27th Street and San Jose Avenue.

- Additional Improvements
  - Renovation and reuse of the approximately 31,700 g.s.f. 1957 Building as administrative office, storage, and conference space;
  - Closure of exterior 1957 Building connector to St. Luke's Hospital Tower;
  - Relocate bus stop for the 36-Teresita line along Valencia Street;
  - Realign utilities currently located beneath San Jose Avenue between 27th Street and Cesar Chavez Street, including existing storm sewer, water main, and electrical and gas lines. Relocation will involve moving/relocating existing overhead utility poles, trenching, patching, and replacement in kind of sidewalk and street surfaces around the perimeter of the campus; and
  - Install underground (hospital emergency generator) storage tanks adjacent to hospital.

EXHIBIT B-2

Cathedral Hill Campus Project Description[1]

CATHEDRAL HILL CAMPUS (ALL NEAR-TERM)[2]

1. Cathedral Hill Hospital

- Demolition of the existing, vacant, Cathedral Hill Hotel and Office buildings.
- Construction of the Cathedral Hill Hospital, an 875,378 g.s.f., 15-story hospital providing approximately 555 acute care beds. The Cathedral Hill Hospital may include, but is not limited to, inpatient medical care, labor and delivery, and post-partum care; specialized programs such as organ transplantation, interventional cardiology and newborn intensive care; and an emergency department. It would also include retail space, cafeteria, education and conference space, a central utility plant and parking on three levels, with approximately 513 parking spaces, and loading areas. The hospital's main vehicular access and passenger drop-off zone would be located on Level 2, which would contain a drive-through vehicular access area connecting Geary Boulevard with Post Street. Vehicular access to the Emergency Department and Loading Dock would be from Franklin Street on Level 3. Ambulance access would be from Post Street on Level 3. The main pedestrian entrance would be on Van Ness Avenue at Geary Boulevard, on Level 1.

2. Related Hospital Improvements

- Street Improvements
  - Sidewalk widening on Van Ness Avenue (west side, between Post Street and Geary Boulevard), Geary Blvd. (north side, between Van Ness Avenue and Franklin Street) and Post Street (south side, between Franklin Street and the Level 2 ingress/egress at mid-block);
  - Pedestrian bulbout at Van Ness Avenue on Post Street, south side; and
  - Paving program, tree planting, landscape, hardscape, seating, lighting, and other streetscape improvements along Van Ness Avenue (west side, Post Street to Geary Blvd.), Franklin Street (east side, Geary Blvd. to Post Street), Post Street (south side, Franklin Street to Van Ness Avenue) and Geary Boulevard (north side, Van Ness Avenue to Franklin Street).
- Additional Improvements
  - Underground fuel storage tanks (serving the emergency generators) beneath the Geary Boulevard sidewalk and street;
  - Paved entry plaza at the Van Ness Avenue and Geary Boulevard entrance;
  - Replacement and modification of the existing Van Ness Avenue crosswalk at Geary Street north side; and

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[1] All square footages herein are approximate.

[2] As more particularly described in Planning Commission Motion No. ___, dated _____, and any Subsequent Approvals.

- Relocation of existing 38/38L Geary Line bus stop from west end of Geary Street, north side, between Van Ness Avenue and Polk Street to east end of Geary Boulevard, north side, between Franklin Street and Van Ness Avenue, and construction of new bus bulb-out and benches.

3. Cathedral Hill Medical Office Building (MOB)

- Demolition of seven existing buildings on the north side of Geary Street between Van Ness Avenue and Polk Street (1100 Van Ness Avenue, 1062 Geary, 1054-1060 Geary, 1040-1052 Geary, 1034-1036 Geary, 1028-1030 Geary and 1020 Geary Street).
- Construction of the Cathedral Hill MOB, a 261,691 g.s.f., nine-story MOB, also including retail space, loading spaces and parking on seven levels including approximately 542 parking spaces. The MOB's main vehicular access and would be from Cedar Street (ingress and egress) and Geary Street (ingress only) at approximately mid-block. Primary patient drop-off would occur on Cedar Street at the west end of the block. Loading would be accessed off of Cedar Street, mid-block. The main pedestrian entrances would be on Van Ness Avenue mid-block and Cedar Street at the patient drop-off. Uses in the building would include but not be limited to medical office, retail, education and conference, dignostic and treatment, and parking.
- Street Improvements
  - Pedestrian bulbout modifications on Van Ness Avenue (east side, at Geary Street and Cedar Street);
  - Removal and improvement/replacement of north side Cedar Street sidewalk from Van Ness Avenue to Polk Street;
  - Pedestrian bulbout at Cedar Street on Polk Street, west side;
  - Removal and improvement/replacement of all other sidewalks abutting MOB site (all frontages, and extending to Polk Street on Cedar Street, south side);
  - Raised crosswalks across Cedar Street at Van Ness and Polk Streets; and
  - Paving replacement/upgrade, tree planting, landscape, hardscape, seating, lighting, and other streetscape improvements along portions of Van Ness Avenue (east side, Geary Street to Cedar Street), Cedar Street (Van Ness Avenue to Polk Street) and Geary Street (north side, Van Ness Avenue to Polk Street).
- Additional Improvements
  - Cedar Street conversion to two-way operation west of the MOB garage ingress/egress; and
  - Cedar Street west end entry plaza, including drop-off area.

4. Van Ness Avenue Pedestrian Tunnel

- Construction of a pedestrian tunnel beneath Van Ness Avenue connecting the eastern portion of Cathedral Hill Hospital (at Level P3 of the Hospital) to the western portion of the Cathedral Hill MOB (at Level G2 of the MOB).

5. 1375 Sutter Street Medical Office Building (MOB)

- Interior renovation and reuse of the 85,356 g.s.f 1375 Sutter Street MOB, including the retention of the existing retail space and approximately 172 parking spaces. The remainder (60) of the 232 parking spaces required by the Planning Code for the 1375 Sutter Street MOB would be provided at the Cathedral Hill Hospital parking garage, along with 116 accessory parking spaces for the 1375 Sutter Street MOB, all of which are included in the total of 513 parking spaces for that garage.

6. Near-Term Project Implementation Activities

- Upon Opening of the Cathedral Hill Hospital or shortly thereafter, certain existing uses at the California and Pacific Campuses that are not transferred to the Cathedral Hill Hospital will be transferred to the 2333 Buchanan Street building, which currently houses primarily inpatient care, diagnostic and treatment, medical support and emergency department uses. The 2333 Buchanan Street building will undergo renovation and reuse to accommodate these transferred uses[3]. It may include uses such as but not limited to outpatient care, diagnostic and treatment services, Alzheimer's residential care, medical support services such as pre- and post-ambulatory surgery, outpatient laboratory services, and physical and occupational therapy, hospital administration and/or cafeteria uses.

[3] The 2333 Buchanan Street building is an Existing Use as defined in the Agreement. Its renovation and reuse as part of the Near-Term Project implementation activities does not include the new construction proposed as part of the ACC Addition, a Long Term Project as described in Exhibit B-4.

EXHIBIT B-3

Davies Campus Project Description[1]

DAVIES CAMPUS NEAR-TERM PROJECT[2]

Neuroscience Institute Building

- Demolition of existing 75-space surface parking lot and removal of associated vehicular access.
- Construction of the Neuroscience Institute building, a 46,006 g.s.f., four-story building which may include, but is not limited to, medical office use, expanded care and services for patients with neurological conditions, enhanced rehabilitation services to allow patients to receive same-site treatment and follow-up care, ambulatory care, pre- and post-operative care, retail use, and a pedestrian drop-off area on Level 3.
- Additional Improvements
  - Landscaped courtyard and entry plaza;
  - Noe Street sidewalk widening; and
  - Repaving, landscaping, tree planting and other streetscape improvements along Noe Street, Duboce Avenue and 14th Streets.

DAVIES CAMPUS LONG-TERM PROJECT

Castro Street/14th Street MOB

- Demolition of existing 283-space parking garage at 14th and Castro Streets.
- Construction of the Castro Street/14th Street MOB, an 80,900 g.s.f. three-story medical office building including but not limited to retail, diagnostic and treatment uses, and approximately 184,000 s.f. of parking use in four below grade levels totaling 490 spaces (replacement of the existing 283 spaces in the 14th and Castro Streets garage plus construction of approximately 207 new parking spaces).

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[1] All square footages herein are approximate.

[2] As more particularly described in Planning Commission Motion No. ___, dated _____, and any Subsequent Approvals.

EXHIBIT B-4

Pacific Campus Project Description[1]

PACIFIC CAMPUS (ALL LONG-TERM)

1. Webster Street/Sacramento Street Underground Parking Garage and Access Street

- Demolition of the Stanford Building[2] and the 2324 Sacramento Clinic, followed by construction of approximately an 113,100-sq. ft., subterranean parking garage including approximately 248 parking spaces.
- Construction of a new street, Campus Drive, to support existing vehicular access to the campus from Webster Street, provide vehicular access to and from Clay Street for the garage, and allow egress from Sacramento Street for loading and unloading.

2. ACC Addition

- Construction of an approximately 205,000 g.s.f., nine-story ACC[3] Addition building above the underground parking garage. The ACC Addition may include but is not limited to, educational and conference space, outpatient space, support space, diagnostic and treatment space, medical offices and outpatient care.

3. North-of-Clay Aboveground Parking Garage

- Demolition of the Annex MOB, Gerbode Research Building and the Clay Street Tunnel and construction of an approximately 172,500 sq. ft., six-story above-ground parking structure including approximately 440 parking spaces, with access from Clay Street.

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[1] All square footages herein are approximate.

[2] All initially capitalized building names shall be as defined in the FEIR.

[3] ACC refers to the Ambulatory Care Center, which is the renovation and reuse of the 2333 Buchanan Street Hospital.

EXHIBIT B-5

California Campus Project Description

CALIFORNIA CAMPUS

No Near-Term or Long-Term Projects are proposed for the California Campus.

DRAFT
6/20/2012

EXHIBIT C[1]

Schedule and Phasing Plan[2]

DATE[3]	OBLIGATION
On or before the later of February 28, 2013 or four (4) months from commencement of San Jose Avenue CPMC Project	Completion of San Jose Avenue City Project (Agreement, Section 3.3)
On or before seven (7) months after completion of the San Jose Avenue City Project	**Milestone**[4]: Completion of the San Jose Avenue CPMC Project (Agreement, Section 4.2.3 (a))
On or before Commencement of Foundation Work for Cathedral Hill Hospital	**Milestone**[4]: Commencement of Foundation Work for St. Luke's Hospital (Agreement Section 4.2.3 (b))
On or before eighteen (18) months from Commencement of Foundation Work for Cathedral Hill Hospital	**Milestone**[4]: Commencement of Exterior Work for St. Luke's Hospital (Agreement Section 4.2.3 (c))
On or before twenty-eight (28) months from Commencement of Foundation Work for Cathedral Hill Hospital	**Milestone**[4]: Completion of Exterior Work for St. Luke's Hospital (Agreement Section 4.2.3 (d))
On or before forty-one (41) months from Commencement of Foundation Work for Cathedral Hill Hospital	Notice of Completion of Construction of St. Luke's Hospital provided to the City (Agreement Section 4.2.3)
On or before forty-nine (49) months from Commencement of Foundation Work for Cathedral Hill Hospital	Notice of Opening of St. Luke's Hospital provided to the City (Agreement Section 4.2.3)

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[1] Initially capitalized terms are as defined in the Agreement. In the event of a conflict between this Schedule and Phasing Plan and the Agreement, the Agreement shall prevail.

[2] The obligations reflected in this Exhibit terminate upon the expiration or early termination of the Agreement as provided in §10.4 therein.

[3] Dates are those currently anticipated and may be revised in the manner provided for in the Agreement.

[4] The Milestones are intended to keep the City reasonably informed on CPMC's progress in satisfying the Hospital Commitment, and may be adjusted from time to time as provided in the Agreement §4.2.3.

DATE[3]	OBLIGATION
On or before two (2) years following the Opening of St. Luke's Hospital	Milestone[4]: Begin to (i) demolish the existing hospital tower located at the St. Luke's Campus and (ii) construct the plaza/pedestrian improvements described in Section 2 of Exhibit B-1. (Agreement, Section 4.2.3 (e))

EXHIBIT D

Mitigation Measures and MMRP

[attached]

MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
A-1 MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR					
CULTURAL AND PALEONTOLOGICAL RESOURCES					
M-CP-N2 (Cathedral Hill with or without Variants): Based on a reasonable presumption that archaeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effects from the proposed project on buried or submerged historical resources. CPMC shall retain the services of a qualified archaeological consultant having expertise in California prehistoric and urban historical archaeology. The archaeological consultant shall undertake an archaeological testing program as specified herein. In addition, the consultant shall be available to conduct an archaeological monitoring and/or data recovery program if required pursuant to this measure. The archaeological consultant's work shall be conducted in accordance with this measure and with the requirements of the project archaeological research design and treatment plan completed for this CPMC campus site[1] at the direction of the Environmental Review Officer (ERO). In instances of inconsistency between the requirement of the project archaeological research design and treatment plan and of this archaeological mitigation measure, the requirements of this archaeological mitigation measure shall prevail. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the proposed LRDP for up to a maximum of 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level potential	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to retain archaeological consultant to undertake archaeological monitoring program in consultation with ERO.	Project sponsor, archaeologist and ERO.	Complete when Project Sponsor retains a qualified archaeological consultant.

[1] This refers to individual archaeological research design/treatment plans prepared by Archeo-Tec and AECOM for the CPMC LRDP in January 2010 and June 2010. Separate plans were prepared for the Cathedral Hill Campus, Pacific Campus, Davies Campus, and St. Luke's Campus. Each of these plans is on file with the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA 94103 in Case No. 2005.0555E.

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
effects on a significant archaeological resource, as defined in the State CEQA Guidelines, Section 15064.5(a)(c).					
Archaeological Testing Program. The archaeological consultant shall prepare and submit to the ERO for review and approval an archaeological testing plan (ATP). The archaeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archaeological resource(s) that could be adversely affected by the proposed LRDP, the testing method to be used, and the locations recommended for testing. The purpose of the archaeological testing program will be to determine, to the extent possible, the presence or absence of archaeological resources and to identify and evaluate whether any archaeological resource encountered on the site constitutes a historical resource under CEQA.	Project Sponsor/Archaeological consultant, at the direction of the ERO.	Prior to any soil-disturbing activities on the project site.	Prepare and submit draft ATP. Implement ATP.	Archaeological consultant and ERO.	After consultation with and approval by ERO of ATP. Considered complete on finding by ERO that ATP implemented.
At the completion of the archaeological testing program, the archaeological consultant shall submit a written report of the findings to the ERO. If, based on the archaeological testing program, the consultant finds that significant archaeological resources may be present, the ERO in consultation with the consultant shall determine whether additional measures are warranted. Additional measures that may be undertaken include additional archaeological testing, archaeological monitoring, and/or an archaeological data recovery program. If the ERO determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed LRDP, at the discretion of CPMC either (a) the proposed LRDP shall be redesigned so as to avoid any adverse effect on the significant archaeological resource; or (b) a data recovery program shall be implemented unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.	Project Sponsor/Archaeological consultant, at the direction of the ERO.	After completion of ATP.	Submit report to ERO of the findings of the ATP.	Archaeological consultant and ERO.	Considered complete on submittal to ERO of report on ATP findings.
Archaeological Monitoring Program. If the ERO in consultation with the archaeological consultant determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall, at a minimum, include the following provisions: ► The archaeological consultant, CPMC, and ERO shall meet and consult on the scope of the AMP reasonably prior to commencement of any project-related soil-disturbing activities. The ERO in consultation with the archaeological consultant shall determine what project activities shall be archaeologically monitored. In most cases,	Project Sponsor/ Archaeological Consultant,/ Archaeological Monitor/Contractor (s), at the direction of the ERO.	ERO & Archaeological Consultant meet prior to commencement of soil-disturbing activity. If ERO determines that an AMP is	Implement AMP.	Archaeological consultant and ERO.	Considered complete on findings by ERO that AMP implemented.

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
any soil-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context.		necessary, monitor throughout all soil-disturbing activities.			
► The archaeological consultant shall advise all project contractors to be alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource.	Archaeological consultant.		Advises project contractor(s)		
► The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the consultant, determined that project construction activities could have no effects on significant archaeological deposits.					
► The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis.					
► If an intact archaeological deposit is encountered, all soil-disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/pile-driving/construction activities and equipment until the deposit is evaluated. If, in the case of pile-driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving may affect an archaeological resource, the pile-driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, and to present the findings of this assessment to the ERO.	Archaeological consultant.		Notify ERO if intact archaeological deposit is encountered.		
Whether or not significant archaeological resources are encountered, the archaeological consultant shall submit a written report of the findings of					

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
the monitoring program to the ERO.					
Archaeological Data Recovery Program. The archaeological data recovery program shall be conducted in accordance with an archaeological data recovery plan (ADRP). The archaeological consultant, CPMC, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archaeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information that the archaeological resource is expected to contain (i.e., the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions). Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed LRDP. Destructive data recovery methods shall not be applied to portions of the archaeological resources if nondestructive methods are practical. The scope of the ADRP shall include the following elements: ► *Field Methods and Procedures*. Descriptions of proposed field strategies, procedures, and operations. ► *Cataloguing and Laboratory Analysis*. Description of selected cataloguing system and artifact analysis *procedures.* ► *Discard and Deaccession Policy*. Description of and rationale for field and post-field discard and deaccession policies. ► *Interpretive Program*. Consideration of an on-site/off-site public interpretive program during the course of the archaeological data recovery program. ► *Security Measures*. Recommended security measures to protect the archaeological resource from vandalism, looting, and unintentionally damaging activities. ► *Final Report*. Description of proposed report format and distribution of results. ► *Curation*. Description of the procedures and recommendations for the curation of any recovered data having potential research value,	Archaeological consultant at the direction of the ERO.	If there is determination by the ERO than an ADR program is required.	Prepare an ARDP	Archaeological consultant and ERO.	Considered complete on finding by ERO that ARDP implemented.

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.					
Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soil-disturbing activity shall comply with applicable federal and state laws. This shall include immediate notification of the county coroner of the City and County of San Francisco and, in the event of the coroner's determination that the human remains are Native American remains, notification of the NAHC, which shall appoint an MLD (PRC Section 5097.98). The archaeological consultant, CPMC, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (State CEQA Guidelines Section 15064.5[d]). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.	Project Sponsor/Archaeological consultant in consultation with the San Francisco Coroner, NAHC, and MLD.	In the event human remains and/or funerary objects are encountered.	Contact San Francisco County Coroner. Implement regulatory requirements, if applicable, regarding discovery of Native American human remains and associated/unassociated funerary objects.	Archaeological consultant and ERO.	Considered complete on notification of the San Francisco County Coroner and NAHC, if necessary.
Chinese and Japanese Archaeological Sites. In the event of discovery of a potentially CRHR-eligible Overseas Chinese or Japanese archaeological deposit, the appropriate descendent representative organization, that is, the Chinese Historic Society of America or the National Japanese American Historical Society, shall be notified and shall be allowed the opportunity to monitor and advise further mitigation efforts, including archaeological identification, evaluation, interpretation, and public interpretive efforts.	Project Sponsor/ Archaeological consultant in consultation with Chinese Historic Society of America or National Japanese American Historical Society.	In the event of discovery of potentially CRHR-eligible Overseas Chinese or Japanese archaeological deposit.	Contact Chinese Historic Society of America or National Japanese American Historical Society and implement any further mitigation advised.	Archaeological consultant and ERO.	Considered complete upon notification of appropriate organization and implementation of any further mitigation advised.
Final Archaeological Resources Report. The archaeological consultant shall submit a draft final archaeological resources report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Information that may put any archaeological resource at risk shall be provided in a separate removable insert within the final report.	Project Sponsor/Archaeological consultant at the direction of the ERO.	After completion of archaeological data recovery, inventorying, analysis, and interpretation.	Submit a Draft FARR.	Archaeological consultant and ERO.	Considered complete on submittal of FARR.
Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information	Archaeological consultant at the	Written certification	Distribute FARR.	Archaeological consultant and	Considered complete on

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Center (NWIC) shall receive one copy, and the ERO shall receive one copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis Division (MEA) of the Planning Department shall receive two copies (bound and unbound) of the FARR and one unlocked, searchable PDF copy on a compact disk. MEA shall receive a copy of any formal site recordation forms (California Department of Parks and Recreation Form 523 series) and/or documentation for nomination to NRHP/CRHR. In instances of high public interest in or high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.	direction of the ERO.	submitted to ERO that required FARR distribution has been completed.		ERO.	distribution of FARR.
Mitigation Measure M-CP-N2 (Davies [near-term] and St. Luke's with or without project variants)					
This mitigation measure is identical to Mitigation Measure M-CP-N2 for the Cathedral Hill Campus.	See M-CP-N2	See M-CP-N2	See M-CP-N2	See M-CP-N2	See M-CP-N2
Mitigation Measure M-CP-N3 (Cathedral Hill and St. Luke's with or without variants and Davies [near-term])					
For each of the CPMC campuses where earthmoving activities would occur in the Colma Formation, slope debris and ravine fill sediments, and older native sediments (as identified in the applicable geotechnical reports for each campus), CPMC shall implement the following measures:					
• Before the start of any earthmoving activities, CPMC shall retain a qualified paleontologist or archaeologist to train all construction personnel involved with earthmoving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils likely to be seen during construction, and proper notification procedures should fossils be encountered.	Project Sponsor/Paleontological or Archaeological Consultant	Prior to soil disturbing activities.	Train construction personnel regarding possibility of encountering fossils.	Paleontological or Archaeological Consultant and ERO	Considered complete once training is held.
• If paleontological resources are discovered during earthmoving activities, the construction crew shall immediately cease work near the find and notify CPMC and the San Francisco Planning Department. CPMC shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with SVP guidelines.[2] The recovery plan may include a field survey, construction monitoring, sampling and data recovery	Project Sponsor/Paleontological Consultant	During soil disturbing activities.	Project Sponsor to retain Paleontological Consultant if paleontological resources are	Paleontological Consultant and ERO.	Considered complete upon implementation of recovery plan and approval by ERO.

2 Society of Vertebrate Paleontology. 1996. Conditions of Receivership for Paleontologic Salvage Collections (final draft). *Society of Vertebrate Paleontology News Bulletin* 166:31–32.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the City to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered.			found. The paleontologist to evaluate and prepare a recovery plan, and		
Mitigation Measure M-CP-N4 (Cathedral Hill, Davies (near-term) and St. Luke's) This mitigation measure is identical to Mitigation Measure M-CP-N2, above.	See M-CP-N2	See M-CP-N2	See M-CP-N2	See M-CP-N2	See M-CP-N2
TRANSPORTATION AND CIRCULATION					
Mitigation Measure MM-TR-29 (Cathedral Hill) CPMC shall ensure that the transit delay impact related to the Cathedral Hill Campus project on the 49-Van Ness-Mission is reduced to a less-than-significant level by financially compensating the SFMTA for the cost of providing the service needed to accommodate the project at proposed levels of service. The financial contribution shall be calculated and applied in a manner that is consistent with the SFMTA cost/scheduling model. The amount and schedule for payment and commitment to application of service needs shall be set forth in a Transit Mitigation Agreement between CPMC and SFMTA.	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to enter into Transit Mitigation Agreement regarding financial compensation to SFMTA for cost of providing service needed to accommodate project at proposed	Project Sponsor and SFMTA	Considered complete when Transit Mitigation Agreement is final and signed by CPMC and SFMTA and payment is made.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
			levels of service.		
Mitigation Measure MM-TR-30 (Cathedral Hill) CPMC shall ensure that the transit delay impact related to the Cathedral Hill Campus project on the 38/38L-Geary is reduced to a less-than-significant level by financially compensating the SFMTA for the cost of providing the service needed to accommodate the project at proposed levels of service. The financial contribution shall be calculated and applied in a manner that is consistent with the SFMTA cost/scheduling model. The amount and schedule for payment and commitment to application of service needs shall be set forth in a Transit Mitigation Agreement between CPMC and SFMTA.	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to enter into Transit Mitigation Agreement regarding financial compensation SFMTA for cost of providing service needed to accommodate project at proposed levels of service.	Project Sponsor and SFMTA	Considered complete when Transit Mitigation Agreement is final and signed by CPMC and SFMTA and payment is made.
Mitigation Measure MM-TR-31 (Cathedral Hill) CPMC shall ensure that the transit delay impact related to the Cathedral Hill Campus project on the 19-Polk is reduced to a less-than-significant level by financially compensating the SFMTA for the cost of providing the service needed to accommodate the project at proposed levels of service. The financial contribution shall be calculated and applied in a manner that is consistent with the SFMTA cost/scheduling model. The amount and schedule for payment and commitment to application of service needs shall be set forth in a Transit Mitigation Agreement between CPMC and SFMTA.	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to enter into Transit Mitigation Agreement regarding financial compensation to SFMTA for cost of providing service needed to accommodate project at proposed levels of service.	Project Sponsor and SFMTA	Considered complete when Transit Mitigation Agreement is final and signed by CPMC and SFMTA and payment is made.
Mitigation Measure MM-TR-44 (Cathedral Hill): Loading Dock Restrictions and Attendant To minimize the potential disruptions to intersections operations and safety, CPMC shall schedule delivery trucks longer than 46 feet in length to only arrive and depart between 10 p.m. and 5 a.m., when traffic	Project Sponsor	Monitoring and documentation during 6 months	Project Sponsor to monitor and document truck	Project Sponsor, ERO, and SFMTA	Monitoring and documentation considered

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
volumes on Franklin Street are lower and when there would be a less likely chance that queues would form behind the truck and extend into adjacent intersections. Because some disruption may still occur between 10 p.m. and midnight, CPMC shall monitor and document truck deliveries occurring between 10 p.m. and midnight for a period of 6 months following full building occupancy/program implementation, recording truck size, number of lanes blocked by delivery trucks and for how long, and whether operations at the intersection of Franklin/Geary are temporarily affected and for how long. CPMC shall submit the truck loading report to the Planning Department and SFMTA. Based on the truck loading report and review, the deliveries by trucks longer than 46 feet in length may be modified. An attendant at the loading dock shall also be present to stop on-coming traffic while delivery trucks maneuver into the service loading area.		following full building occupancy/program implementation. Attendant to be present during operations.	deliveries between 10 p.m. and 6 a.m. and prepare truck loading report. Schedule restriction on trucks longer than 46 feet. Attendant to be present to stop oncoming traffic while delivery trucks maneuver into loading area.		complete on finding by ERO and SFMTA that the truck loading report is final. Schedule restriction on trucks longer than 46 feet considered ongoing during project operations, subject to modificiation after review of truck loading report. Attendant considered ongoing during operations,
Mitigation Measure TR-55 (Cathedral Hill) CPMC shall develop and implement a Construction Transportation Management Plan (TMP) to anticipate and minimize impacts of various construction activities associated with the Proposed Project. The Plan would disseminate appropriate information to contractors and affected agencies with respect to coordinating construction activities to minimize overall disruptions and ensure that overall circulation is maintained to the extent possible, with particular focus on ensuring pedestrian, transit, and bicycle connectivity. The program would supplement and expand, rather than modify or supersede, any manual, regulations, or provisions set forth by Caltrans, SFMTA, DPW, or other City departments and agencies. Specifically, the plan should: Identify construction traffic management best practices in San Francisco,	Project Sponsor	Prior to and during construction.	Project Sponsor to develop and implement a Construction TMP, for review and approval by MTA, DPW and Planning.	Project Sponsor, ERO, SFDPW, and SFMTA	Development of Construction TMP considered complete upon review and approval. Implementation of Construction TMP considered complete upon completion of construction.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
as well as others that, although not being implemented in the City, could provide valuable information for the project. Management practices include, but are not limited to • Identifying ways to reduce construction worker vehicle trips through transportation demand management programs and methods to manage construction work parking demands. • Identifying best practices for accommodating pedestrians, such as temporary pedestrian wayfinding signage or temporary walkways. • Identifying ways to accommodate transit stops located at sidewalks slated for closure during construction. This may include identifying locations for temporary bus stops, as well as signage directing riders to those temporary stops. • Identifying ways to consolidate truck delivery trips, including a plan to consolidate deliveries from a centralized construction material and equipment storage facility. • Identifying best practices for managing traffic flows on Van Ness Avenue during the nighttime hours for the period when tunnel construction would involve surface construction activities. This may include coordination with Caltrans on appropriate traffic management practices and lane closure procedures. Describe procedures required by different departments and/or agencies in the city for implementation of a Construction TMP, such as reviewing agencies, approval processes, and estimated timelines. For example, • CPMC shall coordinate temporary and permanent changes to the transportation network within the City of San Francisco, including traffic, street and parking changes and lane closures, with the SFMTA. Any permanent changes may require meeting with the SFMTA Board of Directors or one of its sub-Committees. This may require a public hearing. Temporary traffic and transportation changes must be coordinated through the SFMTA's Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) and would require a public meeting. As part of this process, the Construction Plan may be reviewed by SFMTA's Transportation Advisory Committee (TASC) to resolve internal differences between different transportation modes.					

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
• Caltrans Deputy Directive 60 (DD-60) requires TMP and contingency plans for all state highway activities. These plans should be part of the normal project development process and must be considered during the planning stage to allow for the proper cost, scope and scheduling of the TMP activities on Caltrans right-of-way. These plans should adhere to Caltrans standards and guidelines for stage construction, construction signage, traffic handling, lane and ramp closures and TMP documentation for all work within Caltrans right-of-way. Require consultation with other Agencies, including Muni/SFMTA and property owners on Cedar Street, to assist coordination of construction traffic management strategies as they relate to bus-only lanes and service delivery on Cedar Street. CPMC should proactively coordinate with these groups prior to developing their Plan to ensure the needs of the other users on the blocks addressed within the construction TMP for the project. Identify construction traffic management strategies and other elements for the project, and present a cohesive program of operational and demand management strategies designed to maintain acceptable levels of traffic flow during periods of construction activities. These include, but are not limited to, construction strategies, demand management activities, alternative route strategies, and public information strategies. Develop a public information plan to provide adjacent residents and businesses with regularly-updated information regarding project construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, and other lane closures. The Construction Transportation Management Plan shall be submitted to SFMTA, SFDPW, and the Planning Department for review and approval. ***Mitigation Measure MM-TR-134 (Cathedral Hill)***					

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
CPMC shall ensure that the transit delay impact related to the Cathedral Hill Campus project on the 47-Van Ness is reduced to a less-than-significant level by financially compensating the SFMTA for the cost of providing the additional service needed to accommodate the project at proposed levels of service. The financial contribution shall be calculated and applied in a manner that is consistent with the SFMTA cost/scheduling model. The amount and schedule for payment and commitment to application of service needs shall be set forth in a Transit Mitigation Agreement between CPMC and SFMTA.	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to enter into Transit Mitigation Agreement regarding financial compensation to SFMTA for cost of providing service needed to accommodate project at proposed levels of service.	Project Sponsor and SFMTA	Considered complete when Transit Mitigation Agreement is final and signed by CPMC and SFMTA and payment is made.
Mitigation Measure MM-TR-137 (Cathedral Hill) CPMC shall ensure that the transit delay impact related to the Cathedral Hill Campus project on the 3-Jackson is reduced to a less-than-significant level by financially compensating the SFMTA for the cost of providing the service needed to accommodate the project at proposed levels of service. The financial contribution shall be calculated and applied in a manner that is consistent with the SFMTA cost/scheduling model. The amount and schedule for payment and commitment to application of service needs shall be set forth in a Transit Mitigation Agreement between CPMC and SFMTA.	Project Sponsor	Prior to issuance of grading or building permits.	Project Sponsor to enter into Transit Mitigation Agreement regarding financial compensation to SFMTA for cost of providing service needed to accommodate project at proposed levels of service.	Project Sponsor and SFMTA	Considered complete when Transit Mitigation Agreement is final and signed by CPMC and SFMTA and payment is made.
NOISE ***Mitigation Measure M-NO-N1a (Cathedral Hill)*** CPMC shall minimize the impacts of construction noise where feasible by implementing the measures listed below in accordance with the San Francisco Noise Control Ordinance. These measures shall be required in each contract agreed to between CPMC and a contractor under the LRDP and shall be applied to all projects and programs covered by the CPMC LRDP EIR. • Construction equipment shall be properly maintained in accordance	Project Sponsor/Construction Contractor(s)	During construction	Project Sponsor/Construction Contractor(s) to implement specified measures to minimize impacts of construction noise where feasible.	Project Sponsor/Construction Contractor(s); Department of Public Works (work within the public right-of-way); Department of Building	Considered complete upon receipt of final monitoring report at completion of construction.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
with manufacturers' specifications and shall be fitted with the best available noise suppression devices (e.g., mufflers, silencers, wraps). All hand-operated impact tools shall be shrouded or shielded, and all intake and exhaust ports on power equipment shall be muffled or shielded. • Construction equipment shall not idle for extended periods (no more than 5 minutes) of time near noise-sensitive receptors. • Stationary equipment (compressors, generators, and cement mixers) shall be located as far from sensitive receptors as feasible. Sound attenuating devices shall be placed adjacent to individual pieces of stationary source equipment located within 100 feet of sensitive receptors during noisy operations to prevent line-of-sight to such receptors, where feasible. • Temporary barriers (noise blankets or wood paneling) shall be placed around the construction site parcels and, to the extent feasible, they should break the line of sight from noise sensitive receptors to construction activities. If the use of heavy construction equipment is occurring on-site within 110 feet of an adjacent sensitive receptor, the temporary barrier located between source and sensitive receptor shall be no less than 10 feet in height. For all other distances greater than 110 feet from source to receptor, the temporary noise barrier shall be no less than 8 feet in height. For temporary sound blankets, the material shall be weather and abuse resistant, and shall exhibit superior hanging and tear strength with a surface weight of at least 1 pound per square foot. Procedures for the placement, orientation, size, and density of acoustical barriers shall be reviewed and approved by a qualified acoustical consultant. When temporary barrier units are joined together, the mating surfaces shall be flush with each other. Gaps between barrier units, and between the bottom edge of the barrier panels and the ground, shall be closed with material that would completely close the gaps, and would be dense enough to attenuate noise.				Inspection (work within CPMC-owned project sites).	
Mitigation Measure M-NO-N1b (Cathedral Hill) A community liaison shall be designated by CPMC. The community liaison shall be available to manage and respond to noise complaints from	Project Sponsor	During demolition, excavation, and	Project Sponsor to retain community liaison who will (1)	Department of Public Works (work within the	Considered complete upon receipt of final

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
nearby sensitive receptors. The community liaison shall keep a log of all relevant and appropriate complaints and responses to those complaints through a website that can be accessed and viewed by the public. The log or a copy of the log shall also be available upon request to any affected citizen or their representative. The community liaison shall produce a weekly and six-week schedule of construction operations and shall provide this schedule in advance and upon request to any affected citizens or their representatives. Contact information for the community liaison shall be posted in a location that is clearly visible to the nearby receptors most likely to be disturbed. The community liaison shall be responsible for ensuring that reoccurring noise complaints are evaluated by a qualified acoustical consultant to determine and implement appropriate noise control measures that would be taken to meet applicable standards. The community liaison shall contact nearby noise-sensitive receptors and shall advise them of the construction schedule.		construction	manage and respond to noise complaints (2) log all complains and responses (3) prepare weekly and six-week schedule of construction operations and (4) ensure that reoccurring noise complaints are evaluated by qualified acoustical consultant to determine and implement appropriate noise control measures.	public right-of-way); Department of Building Inspection (work within CPMC-owned project sites); Project Sponsor and ERO	monitoring report at completion of construction.
Mitigation Measure M-NO-N1c (Cathedral Hill) A construction noise management plan shall be prepared by a qualified acoustical consultant. The noise management plan shall include, but shall not be limited to, the following tasks: • A detailed evaluation of nighttime tunnel construction at noise-sensitive receptors shall be prepared. The evaluation shall include calculations of construction noise levels based on detailed information regarding construction methods and duration. If it is determined that construction noise levels would exceed City noise ordinance standards, a qualified acoustical consultant shall review and approve additional mitigation measures to minimize prolonged sleep disturbance (e.g., using acoustical treatments to existing buildings, such as upgraded weatherstripping or determining the feasibility of constructing a cantilevered overhang along temporary barriers around the construction area to reduce construction noise levels at elevated receptors).Long-term (24-hour) and short-term (15-minute) noise measurements shall be conducted at ground level and elevated locations to represent the noise exposure of noise-	Project Sponsor/Acoustical Consultant	Prior to and during demolition, excavation, and construction	Project Sponsor to retain Acoustical Consultant to prepare and implement a construction noise management plan.	Project Sponsor/Acoustical Consultant and ERO.	Considered complete upon receipt of final monitoring report at completion of construction.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
sensitive receptors adjacent to the construction area. The measurements shall be conducted for at least 1 week during the onset of each of the following major phases of construction: demolition, excavation, and structural steel erection. Measurements shall be conducted during both daytime and nighttime hours of construction, with observations and recordings to document combined noise sources and maximum noise levels of individual pieces of equipment. If noise levels from construction activities are found to exceed City standards (daytime [80 dB at a distance of 100 feet] or nighttime [5 dB over ambient]) and result in complaints that are lodged with the community liaison, additional noise mitigation measures shall be identified. These measures shall be prepared by the qualified acoustical consultant. These measures shall identify the noise level exceedance created by construction activities and identify the anticipated noise level reduction with implementation of mitigation. These measures may include, among other things, additional temporary noise barriers at either the source or the receptor; operational restrictions on construction hours or on heavy construction equipment where feasible; temporary enclosures to shield receptors from the continuous engine noise of delivery trucks during offloads (e.g., concrete pump trucks during foundation work); or lining temporary noise barriers with sound absorbing materials. Measures such as these have been demonstrated to be effective in keeping construction noise levels within 80 dB at a distance of 100 feet.					
Mitigation Measure M-NO-N1 (Davies [near-term])					
This mitigation measure is similar to Mitigation Measures M-NO-N1a, M-NO-N1b, and M-NO-N1c for the Cathedral Hill Campus but differs in that evaluation of interior construction noise levels at on-site receptors by a qualified acoustical consultant shall be required if the number of complaints to the community liaison becomes excessive and warrants further action.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c. ERO shall review logs provided by community liaison to determine whether number of complaints warrant further action.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.
Mitigation Measure M-NO-N1 (St. Luke's Campus with or without Variants)					

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This mitigation measure is identical to Mitigation Measures M-NO-N1a, M-NO-N1b, and M-NO-N1c for the Cathedral Hill Campus.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.	See M-NO-N1a, M-NO-N1b, and M-NO-N1c.
Mitigation Measure M-NO-N3a (Cathedral Hill Campus) CPMC shall retain the services of a qualified acoustical consultant to measure the sound levels of operating exterior equipment within 30 days after installation. If exterior equipment meets daytime and nighttime sound level standards, no further action is required. If exterior equipment does not meet sound level standards, CPMC shall replace and/or redesign the exterior equipment to meet the City's noise standards. Results of the measurements shall be provided to the Hospital Facilities Management/Engineering and the City to show compliance with standards.	Project Sponsor/Acoustical Consultant	Measurement of sound levels within 30 days after installation of exterior equipment.	Project Sponsor/Acoustical Consultant to measure sound levels of exterior equipment and replace and/or redesign if it exceeds sound level standards.	Project Sponsor/Acoustical Consultant, Hospital Facilities Management/Engineering, and Department of Building Inspection (DBI).	Considered complete upon DBI review and approval of compliance with standards.
Mitigation Measure M-NO-N3b (Cathedral Hill Campus with or without Variants) Bay doors [forthe loading dock on Franklin Street] shall be required to be closed during Aduromed operations, to the extent feasible.	Project Sponsor	During operations.	Project Sponsor to close bay doors during Aduromed operations.	Project Sponsor; ERO	Considered ongoing during project operations.
Mitigation Measure M-NO-N3c (Cathedral Hill Campus with or without Variants) In the event that it is determined to be infeasible for bay doors to be closed during Aduromed operation, a noise-absorptive material shall be applied (prior to initiation of Aduromed operations with open bay doors) to the entire ceiling structure of the loading dock area to reduce noise levels from Aduromed operations. The material shall have a minimum Noise Reduction Coefficient of 0.75.	Project Sponsor	Prior to operation.	Project Sponsor to apply noise-absorptive material to entire ceiling structure of loading area.	Project Sponsor and DBI.	Considered complete upon DBI's review and acceptance of noise absorptive material.
Mitigation Measure M-NO-N3d (Cathedral Hill Campus with or without Variants) Noise attenuators shall be included on kitchen exhaust fans located on Level 5 of the Cathedral Hill Hospital adjacent to patient rooms, or the sound power levels of the exhaust fans shall be limited. Hospital Facilities Management/Engineering shall review the effectiveness of attenuators.	Project Sponsor	Prior to operation.	Project Sponsor to install noise attenuators on kitchen exhaust fans on Level 5 of CHH.	Project Sponsor and Hospital Facilities Management/Engineering; OSHPD (interior noise standards within the hospital are governed by	Considered complete upon ERO confirmation of issuance of OSHPD permit. .

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				OSHPD standards). ERO shall review to confirm issuance of a duly reviewed OSHPD permit.	
Mitigation Measure M-NO-N3e (Cathedral Hill Campus) Delivery of oxygen to the proposed Cathedral Hill Campus shall not be scheduled during hours when church activities are typically taking place. Communication shall be established between the adjacent churches and CPMC, and a mutually acceptable time for delivery of oxygen shall be determined.	Project Sponsor	During operations.	Project Sponsor to establish communication between churches adjacent to the oxygen delivery area to determine acceptable time for delivery.	Project Sponsor; ERO	Considered ongoing during project operations.
Mitigation Measure M-NO-N3 (Davies [near-term]) CPMC shall retain the services of a qualified acoustical consultant to conduct an additional site-specific noise study to evaluate and establish the appropriate ambient noise levels at the Davies Campus for purposes of a detailed HVAC and emergency generator noise reduction analysis. The recommendations of the acoustical consultant shall include specific equipment design and operations measures to reduce HVAC and emergency generator noise to acceptable levels for exterior and interior noise levels as specified in the San Francisco Noise Control Ordinance.	Project Sponsor/Acoustical Consultant	Prior to operation.	Project Sponsor to retain Acoustical Consultant to conduct an additional site-specific noise study at the Davies Campus.	Project Sponsor and ERO.	Considered complete upon finding by ERO that site-specific noise study finalized and recommendation is implemented.
Mitigation Measure M-NO-N3 (St. Luke's Campus) This mitigation measure is identical to Mitigation Measure M-NO-N3 for the Davies Campus and Mitigation Measure M-NO-N3a for the Cathedral Hill Campus.	See M-NO-N3 for Davies and M-NO-N3a for Cathedral Hill.	See M-NO-N3 for Davies and M-NO-N3a for Cathedral Hill.	See M-NO-N3 for Daviesand M-NO-N3a for Cathedral Hill.	See M-NO-N3 for Davies and M-NO-N3a for Cathedral Hill.	See M-NO-N3 for Davies and M-NO-N3a for Cathedral Hill.
Mitigation Measure M-NO-N4 (Cathedral Hill Campus) CPMC shall obtain the services of a qualified acoustical consultant to perform a detailed interior-noise analysis and develop noise-insulating features for the habitable interior spaces of the proposed Cathedral Hill Hospital that would reduce the interior traffic-noise level inside the hospital to 45-dB L_{dn}. Interior spaces of the hospital shall be designed to	Project Sponsor/Acoustical Consultant	Prior to building construction.	Project Sponsor/Acoustical Consultant to perform detailed interior-noise analysis of CHH	Project Sponsor/Acoustical Consultant and OSHPD (interior noise standards within the hospital	Considered complete upon ERO's confirmation of an OSHPD approved permit

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include insulating features (e.g., laminated glass, acoustical insulation, and/or acoustical sealant) that would reduce interior noise levels to 45 dB L_{dn} or lower.			and incorporate noise-insulating features in final design plans.	are governed by OSHPD standards). ERO shall review to confirm issuance of a duly reviewed OSHPD permit.	for design that includes noise-insulating features.
Mitigation Measure M-NO-N5 (Cathedral Hill, Davies [near-term], St. Luke's Campuses)					
CPMC shall minimize the impacts of construction noise and vibration where feasible by implementing the measures listed below. These measures shall be required in each contract agreed to between CPMC and a contractor under the LRDP and shall apply to all projects and programs covered by this EIR. Construction equipment generating the highest noise and vibration levels (vibratory rollers) shall operate at the maximum distance feasible from sensitive receptors. Vibratory rollers shall operate during the daytime hours only to ensure that sleep is not disrupted at sensitive receptors near the construction area. A community liaison shall be available to respond to vibration complaints from nearby sensitive receptors. A community liaison shall be designated. Contact information for the community liaison shall be posted in a conspicuous location so that it is clearly visible to the nearby receptors most likely to be disturbed. The community liaison shall manage complaints resulting from construction vibration. Reoccurring disturbances shall be evaluated by a qualified acoustical consultant to ensure compliance with applicable standards. The community liaison shall contact nearby noise-sensitive receptors and shall advise them of the construction schedule. To further address the nuisance impact of project construction, a construction vibration management plan shall be prepared by a qualified acoustical consultant retained by CPMC. The vibration management plan shall include but shall not be limited to the following tasks: • A community liaison shall be designated. This person's contact information shall be posted in a location near the project site that it is clearly visible to the nearby receptors most likely to be	Project Sponsor/Construction Contractor(s)/Acoustical Consultant	During demolition, excavation, and construction	Project Sponsor/Construction Contractor(s) to (1) implement measures to reduce construction noise and vibration impacts and (2) retain community liaison to response to vibration complaints. Project Sponsor to retain Acoustical Consultant to prepare and implement vibration management plan.	Project Sponsor/Construction Contractor(s)/Acoustical Consultant and ERO.	Considered complete upon ERO's approval of vibration monitoring plan and receipt of final monitoring report at completion of construction.

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disturbed. The community liaison shall manage complaints and concerns resulting from activities that cause vibration. The severity of the vibration concern shall be assessed by the community liaison and, if necessary, evaluated by a qualified noise and vibration control consultant. • The preexisting condition of all buildings within a 50-foot radius and historical buildings within the immediate vicinity of proposed construction activities shall be recorded in the form of a preconstruction survey. The preconstruction survey shall determine conditions that exist before construction begins and shall be used to evaluate damage caused by construction activities. Fixtures and finishes within a 50-foot radius of construction activities susceptible to damage shall be documented (photographically and in writing) before construction. All buildings damaged shall be repaired to their preexisting conditions. • As part of the vibration management plan, vibration levels shall be monitored at the nearest interior location of adjacent uses, including Daniel Burnham Court, containing vibration sensitive equipment to monitor potential impacts from the project site. In the event that measured vibration levels exceed 65 VdB and disturb the operation of sensitive medical equipment, additional measures shall be implemented to the extent necessary and feasible, including restriction of construction activities, coordination with equipment operators, and/or installation of isolation equipment.					
AIR QUALITY					
Mitigation Measure M-AQ-N1a (Cathedral Hill, Davies [near-term], St. Luke's) The following mitigation measures shall be implemented during construction activities to avoid short-term significant impacts to air quality: **BAAQMD Basic Control Measures** • Water all active construction areas at least twice daily. • Cover all trucks hauling soil, sand, and other loose materials or	Project Sponsor/Construction Contractor(s)	During demolition, excavation, and construction.	Construction Contractor to implement control measures.	Project Sponsor and ERO.	Considered complete upon receipt of final monitoring report at completion of construction.

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
require all trucks to maintain at least 2 feet of freeboard. • Pave, apply water three times daily, or apply (nontoxic) soil stabilizer on all unpaved access roads, parking areas, and staging areas at construction sites. • Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites. • Sweep street daily (with water sweepers) if visible soil material is carried into adjacent public streets. **Optional Control Measures** • Install wheel washers for all exiting trucks, or wash off the tires or tracks of all trucks and equipment leaving the site. • Install wind breaks, or plant trees/vegetative wind breaks at windward sides of construction areas. • Suspend excavation and grading activity when winds (instantaneous gusts) exceed 20 mph. • Limit the area subject to excavation, grading, and other construction activities at any one time. **Additional Construction Mitigation Measures** • All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered twice daily. • All haul trucks transporting soil, sand, or other loose material off-site shall be covered. • All visible mud or dirt trackout onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. • All vehicle speeds on unpaved roads shall be limited to 15 mph. • All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.					

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
• Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measures, Title 13, Section 2485 of California Code of Regulations). Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with manufacturers' specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. • Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The air district's phone number shall also be visible to ensure compliance with applicable regulations.					
Mitigation Measure M-AQ-N1b (Cathedral Hill, Davies [near-term], St. Luke's) To reduce exhaust emissions of ROG, NOX, PM10, and PM2.5 by construction equipment at the CPMC campuses, CPMC and its construction contractor shall implement the following BAAQMD-recommended control measures during construction in both the near term and the long term: • Idling times shall be minimized, either by shutting equipment off when not in use or by reducing the maximum idling time to 2 minutes, to the extent feasible. Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with the manufacturers' specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition before operation.	Project Sponsor/Construction Contractor(s)	During demolition, excavation, and construction.	Construction Contractor(s) to implement control measures.	Project Sponsor and ERO.	Considered complete upon receipt of final monitoring report at completion of construction.
Mitigation Measure M-AQ-N2 (Cathedral Hill Campus) To reduce risk associated with exhaust emissions of DPM by construction equipment during construction of the Cathedral Hill Campus and all other LRDP sites, CPMC and its construction contractor shall implement the following BAAQMD-recommended control measures during	Project Sponsor/Construction Contractor(s)	During demolition, excavation, and construction.	Construction Contractor(s) to implement control measures.	Project Sponsor and ERO.	Considered complete upon receipt of final monitoring

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
construction: • Where sufficient electricity is available from the PG&E power grid, electric power shall be supplied by a temporary power connection to the grid, provided by PG&E. Where sufficient electricity to meet short-term electrical power needs for specialized equipment is not available from the PG&E power grid, non-diesel or diesel generators with Tier 4 engines (or equivalent) shall be used. • During any construction phase for near-term projects, at least half of each of the following equipment types shall be equipped with Level 3-verified diesel emission controls (VDECs): backhoes, concrete boom pumps, concrete trailer pumps, concrete placing booms, dozers, excavators, shoring drill rigs, soil mix drill rigs, and soldier pile rigs. If only one unit of the above equipment types is required, that unit shall have Level 3 VDECs retrofits. • For long-term projects, which are presumed to begin when Tier 4 equipment would be widely available, all diesel equipment of all types shall meet Tier 4 standards.					report at completion of construction.
Mitigation Measure M-AQ-N8a (Cathedral Hill, Davies [near-term], St. Luke's) This mitigation measure is identical to Mitigation Measure M-AQ-N1a, above.	See M-AQ-N1a	See M-AQ-N1a	See M-AQ-N1a	See M-AQ-N1a	See M-AQ-N1a
Mitigation Measure M-AQ-N8b (Cathedral Hill, Davies [near-term], St. Luke's) This mitigation measure is identical to Mitigation Measure M-AQ-N1b, above.	See M-AQ-N1b	See M-AQ-N1b	See M-AQ-N1b	See M-AQ-N1b	See M-AQ-N1b
Mitigation Measure M-AQ-N9 (Cathedral Hill, Davies [near-term], St. Luke's) CPMC shall implement Mitigation Measure M-AQ-N1a and Mitigation Measure M-AQ-N2, discussed above, to reduce emissions of criteria pollutants from construction equipment exhaust.	See M-AQ-N1a and M-AQ-N2	See M-AQ-N1a and M-AQ-N2	See M-AQ-N1a and M-AQ-N2	See M-AQ-N1a and M-AQ-N2	See M-AQ-N1a and M-AQ-N2
Mitigation Measure M-AQ-N10a (Cathedral Hill Campus) This mitigation measure is identical to Mitigation Measure M-AQ-N2, above.	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Mitigation Measure M-AQ-N10b (Davies Campus [near-term]) This mitigation measure is identical to Mitigation Measure M-AQ-N2, above.	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2
Mitigation Measure M-AQ-N10c (St. Luke's Campus) This mitigation measure is identical to Mitigation Measure M-AQ-N2, above.	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2	See M-AQ-N2
PUBLIC SERVICES					
Mitigation Measure M-PS-N2 (Cathedral Hill Campus) This mitigation measure is identical to Mitigation Measure MM-TR-55 for Transportation and Circulation, above.	See M-TR-55	See M-TR-55	See M-TR-55	See M-TR-55	See M-TR-55
BIOLOGICAL RESOURCES					
Mitigation Measure M-BI-N1 (Cathedral Hill) Before any demolition or construction activities occurring during the nesting season (January 15 through August 15) that involve removal of trees or shrubs, CPMC shall conduct a preconstruction survey for nesting birds at each of its medical campuses. The surveys shall be conducted by a qualified wildlife biologist no sooner than 14 days before the start of removal of trees and shrubs. The survey results shall remain valid for 21 days after the survey; therefore, if vegetation removal is not started within 21 days of the survey, another survey shall be required. The area surveyed shall include the construction site and the staging area for the tree or shrub removal. If no nests are present, tree removal and construction may commence. If active nests are located during the preconstruction bird nesting survey, CPMC shall contact DFG for guidance on obtaining and complying with Section 1801of the California Fish and Game Code, which may include setting up and maintaining a line-of-sight buffer area around the active nest and prohibiting construction activities within the buffer; modifying construction activities; and/or removing or relocating active nests.	Project Sponsor/Qualified Biologist	Pre-consruction surveys prior to any construction activities during nesting season. If active nests are found, actions to protect nesting birds to be implemented during construction.	Pre-construction surveys for nesting birds to be conducted by a qualified biologist. If an active nest is found close to construction area, CPMC shall contact the California Department of Fish and Game and obtain and comply with a Fish and Game Code Section 1801 agreement concerning the implementation of actions to protect nesting birds..	Project Sponsor/Biologist and ERO	Considered complete upon ERO approval of report by biologist and any actions taken to protect nesting birds pursuant to Section 1801 agreement, if necessary.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Mitigation Measure M-BI-N1 (Davies [near-term]) This mitigation measure is identical to Mitigation Measure M-BI-N1 for the Cathedral Hill Campus, above.	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill
Mitigation Measure M-BI-N1 (St. Luke's with or without project variants)) This mitigation measure is identical to Mitigation Measure M-BI-N1 for the Cathedral Hill Campus, above.	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill	See M-BI-N1 for Cathedral Hill
GEOLOGY AND SOILS					
Mitigation Measure M-GE-N4 (Cathedral Hill, Davies [near-term], St. Luke's) CPMC shall implement Mitigation Measure M-HY-N3, as described below.	See M-HY-N3	See M-HY-N3	See M-HY-N3	See M-HY-N3	See M-HY-N3
Mitigation Measure M-GE-N6 (St. Luke's) The design level geotechnical report for the MOB/Expansion Building, the proposed utility route, and the sewer variant at the St. Luke's Campus shall include an excavation and dewatering program. The program shall include measures to monitor the improvements adjacent to construction for vertical movement. The monitoring shall include an optical survey and installation of inclinometers and groundwater observation wells. Groundwater levels outside the excavation shall be monitored through wells while dewatering is in progress. Should the magnitude of settlement or groundwater drawdown be deemed potentially damaging to surrounding improvements by a licensed engineer, the groundwater outside the excavation shall be recharged through wells or the dewatering program altered to reduce drawdown to an acceptable level.	Project Sponsor	Preparation of excavation and watering program orior to issuance of grading or building permits. Implementation of program during construction.	Project Sponsor to prepare design level geotechnical report for MOB/Expansion Building and monitor construction and, if needed, recharge groundwater through wells or alter dewatering to reduce drawdown.	Project Sponsor/Constructi on Contractor(s).; ERO	Considered complete upon ERO's approval of geotechnical studies and upon receipt of final monitoring report at completion of construction.
HYDROLOGY AND WATER QUALITY					
Mitigation Measure M-HY-N2 (Cathedral Hill) To manage peak flow and discharge volume, CPMC shall prepare and implement a Stormwater Control Plan for each of the near-term projects under the LRDP, focusing on LID strategies and BMPs. In implementing	Project Sponsor	Preparation of Stormwater Control Plan pior to first permit for	Project Sponsor to prepare and implement a Stormwater Control	Project Sponsor , ERO, and SFPUC	Considered complete upon approval of final design.

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the LRDP, CPMC shall comply with all policies and regulations adopted by the City, including SFPUC's Stormwater Design Guidelines, which require a 25% decrease in the rate and volume of stormwater runoff from the 2-year, 24-hour design storm. Therefore, the design-level drainage plans shall demonstrate that, at a minimum, there will be a 25% decrease in the rate and volume of stormwater runoff to the combined sewer for the 2-year, 24-hour storm as compared to existing conditions. This will be achieved by using LID stormwater BMPs which may include, but not limited to: • green roofs, • cisterns, • bioswales, • bioretention basins, • planter boxes, • blue roofs, • dry wells, and • other detention/storage facilities. In addition, the final design team for the development project shall review and incorporate as many concepts as practicable from *Start at the Source: Design Guidance Manual for Stormwater Quality Protection.* SFPUC shall conduct project design review before the City's project approval occurs, to ensure that the impacts of the LRDP on the combined sewer system have been fully mitigated.		construction, as determined by the Planning Department. Implementation of LID strategies and BMPs by incorporating into project during construction.	Plan.		
Mitigation Measure M-HY-N2 (Davies [near-term]) This mitigation measure is identical to Mitigation Measure M-HY-N2 for the Cathedral Hill Campus, above.	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill
Mitigation Measure M-HY-N2 (St. Luke's) This mitigation measure is identical to Mitigation Measure M-HY-N2 for the Cathedral Hill Campus, above.	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill	See M-HY-N2 for Cathedral Hill

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Mitigation Measure M-HY-N3 (Cathedral Hill, Davies [near-term], St. Luke's)					
In compliance with Article 4.1 of the San Francisco Public Works Code and the City's Construction Site Water Pollution Prevention Program, CPMC shall submit a site-specific SWPPP to SFPUC for approval before initiating construction activities in areas draining to the combined sewer system. SFPUC requires implementation of appropriate BMPs from the *California Stormwater Quality Association Stormwater BMP Handbook—Construction*. In accordance with SFPUC's requirements, the SWPPP shall include the following elements: *An erosion and sediment control plan.* The plan shall present a site map illustrating the BMPs that will be used to minimize on-site erosion and the sediment discharge into the combined sewer system, and shall provide a narrative description of those BMPs. Appropriate BMPs for the erosion and sediment control plan may include the following practices: • Scheduling—Develop a schedule that includes sequencing of construction activities with the implementation of appropriate BMPs. Perform construction activities and control practices in accordance with the planned schedule. Schedule work to minimize soil-disturbing activities during the rainy season. Schedule major grading operations for the dry season when practical. Monitor the weather forecast for rainfall and adjust the schedule as appropriate. • Erosion control—Cover exposed excavated walls to reduce their exposure to rainfall. Preserve existing vegetation where feasible; apply mulch or hydroseed areas until permanent stabilization is established; and use soil binders, geotextiles and mats, earth dikes and drainage swales, velocity dissipation devices, slope drains, or polyacrylamide to protect soil from erosion. • Wind erosion—Apply water or other dust palliatives to prevent dust nuisance; prevent overwatering that can cause erosion.	Project Sponsor/Construction Contractor(s)	Approval of SWPPP prior to issuance of grading or building permits. Implementation of SWPP during construction.	Project Sponsor/Construction Contractor(s) to prepare and implement SWPPP.	Project Sponsor/Construction Contractor(s), SFPUC, and ERO	Considered complete upon receipt of final monitoring report at completion of construction.

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Alternatively, cover small stockpiles or areas that remain inactive for 7 or more days. • Sediment control—Install silt fences, sediment basins, sediment traps, check dams, fiber rolls, sand or gravel bag barriers, straw bale barriers, vegetated swales, approved chemical treatment, storm drain inlet protection, or other LID measures to minimize the discharge of sediment. Employ street sweeping to remove sediment from streets. Utilize treatment trains where feasible. Cover all stockpiled soil until it is needed. Cover all soil in haul trucks. • Tracking controls—Stabilize the construction site entrance to prevent tracking of sediment onto public roads by construction vehicles. Stabilize on-site vehicle transportation routes immediately after grading to prevent erosion and control dust. Install a tire wash area to remove sediment from tires and under carriages and contain all sediments in the wash area. • Litter control—Remove litter at least once daily from the construction site. Dispose of packing materials immediately in an enclosed container. • *Non-stormwater management BMPs.* These BMPs may include water conservation practices, dewatering practices that minimize sediment discharges, and BMPs for all of the following: • paving and grinding activities; • identification of illicit connections and illegal dumping; • irrigation and other planned or unplanned discharges of potable water; • vehicle and equipment cleaning, fueling, and maintenance; • concrete curing and finishing; • temporary batch plants; • implementation of shoreline improvements; and • work over water.					

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Discharges from dewatering activities shall comply with the requirements of SFPUC's Batch Wastewater Discharge Permit that regulate influent concentrations for various constituents.
• *Waste management BMPs.* These BMPs shall be implemented for:
  • material delivery, use, and storage;
  • stockpile management;
  • spill prevention and control; and
  • management of solid and liquid waste, hazardous waste, contaminated soil, concrete waste, and septic/sanitary waste.
• *BMP inspection, maintenance, and repair requirements.* All BMPs shall be inspected on a regular basis to confirm proper installation and function. BMPs shall be inspected daily during storms, and BMPs that have failed shall be immediately repaired or replaced. Sufficient devices and materials (e.g., silt fence, coir rolls, erosion blankets) shall be provided throughout project construction to enable immediate corrective action for failed BMPs. Required BMP maintenance related to a storm event shall be completed within 48 hours of the storm event. The SWPPP shall include checklists that document when the inspections occurred, the results of the inspection, required corrective measures, and when corrective measures were implemented.
The SWPPP shall demonstrate how treatment control measures (e.g., silt fences, sediment basins, sediment traps, check dams, vegetated swales, infiltration trenches) targeting the project-specific contaminants including sediment, metals, oil and grease, trash and debris, and oxygen-demanding substances would be incorporated into the project. In addition, the SWPPP shall demonstrate that the project has the land area available to support the proposed BMP facilities sized for the required water quality design storm.
Construction personnel shall receive training on the SWPPP and implementation of BMPs.					

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HAZARDS AND HAZARDOUS MATERIALS					
Mitigation Measure M-HZ-N1a (Cathedral Hill, Davies [near-term], St. Luke's)					
Step 1: Preparation of a Site Mitigation Plan Before the issuance of site, building, or other permits from the City for development activities involving subsurface disturbance, CPMC shall submit the previously prepared environmental contingency plans to SFDPH for review and approval as site mitigation plans (SMPs) for the Cathedral Hill, Davies, and St. Luke's Campuses. The SMPs shall include the following measures and procedures: • All soil shall be sampled for a suite of common chemicals required by landfills and redevelopment sites accepting imported fill from other sites to provide a chemical profile and identify the soil worker safety and disposal classification. Sample analytical results shall be submitted to SFDPH for review. • Fill shall be sampled and analyzed before excavation to allow excavation, loading, and transportation off-site without stockpiling, which would minimize soil handling. • If soil encountered during excavation exhibits the presence of liquid hydrocarbons (such as oil), strong odors, or staining suggesting the presence of hazardous materials, work shall be halted, the area shall be covered in plastic sheeting, stockpiles shall be segregated and covered, and samples shall be collected from the base and walls of the excavation. Once sampling results have returned, the soil shall be treated in accordance with the above outlined procedures. • If groundwater is present and in a volume requiring dewatering, a dewatering contractor shall be retained to design and install a dewatering system to remove and discharge the water to the sanitary sewer system during excavation and construction. The dewatering contractor shall obtain a batch groundwater discharge permit from SFPUC. A groundwater sample shall be collected and analyzed for parameters established by SFPUC	Project Sponsor	Approval of SMPs prior to issuance of site, building, or other permits. Implementation of measures and procedures identified in SMPs during excavation and grading phases of construction.	Project Sponsor/Construction Contractor(s) to prepare a SMP and submit to DPH and Planning Department.	Project Sponsor and DPH	Considered complete with submittal of the closure certification report to DPH and San Francisco Planning Department.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
before any discharge of groundwater into the sewer system. If required by SFPUC, additional groundwater samples shall be collected monthly from the discharged water for parameters stipulated by SFPUC. If analytes in the groundwater exceed the established SFPUC discharge limits, the groundwater shall be stored in containers and properly treated before discharge. The treatment system, if needed, shall be designed based on the chemicals present in the groundwater. • A licensed tank removal contractor shall be retained to properly remove and dispose of known tanks in accordance with all current regulations and the site-specific and tank-specific procedures outlined in the ECPs for each campus. All the necessary permits from SFFD and SFDPH shall be obtained, and all notifications to BAAQMD shall be made before the tank is removed. The health and safety plan shall be followed, and air monitoring shall be performed during all tank removal activities. If soil staining, odor, and/or elevated organic vapor analyzer readings are observed during tank removal, the affected soil shall be placed on and covered with plastic tarpaulins, separate from any unaffected soil removed from above the tank. All soil sampling and analysis for tank closure shall be performed in accordance with the Tri-Regional Board Staff Recommendations for Preliminary Evaluation and Investigation of Underground Tank Sites, dated August 10, 1990, and any additional SFFD and SFDPH requirements. Any additional measures that the SFDPH determines are required beyond those already identified in the ECPs shall also be incorporated into the SPMs and implemented by CPMC. A copy of the SMPs shall be submitted to the Planning Department to become part of the case file.					
Step 2: Handling, Hauling, and Disposal of Contaminated Soils (a) Specific work practices: If, based on the results of the soil tests conducted, the SFDPH determines that the soils on the campuses are contaminated at or above potentially hazardous levels, the construction contractor shall be alert for the presence of such soils during excavation and other construction activities on the campuses (detected through soil odor, color, and texture) and shall be prepared to handle, profile (i.e., characterize), and	Project Sponsor/Construction Contractor(s)	During demolition, excavation, and construction.	Project Sponsor/Construction Contractor(s) to handle, haul and dispose contaminated soils as specified in mitigation measure.	Project Sponsor/Construction Contractor(s) and DPH.	Considered complete with submittal of the closure certification report to DPH and San Francisco Planning

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
dispose of such soils appropriately (i.e., as dictated by federal, state, and local regulations) when such soils are encountered on the campuses. If excavated materials contain over one percent friable asbestos, they shall be treated as hazardous waste, and shall be transported and disposed of in accordance with applicable federal and state regulations. (b) Dust suppression: Soils exposed during excavation for site preparation and project construction activities shall be kept moist throughout the time they are exposed, both during and after construction work hours. (c) Surface water runoff control: Where soils are stockpiled, plastic sheeting shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather and from air. (d) Soils replacement: If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade. (e) Hauling and disposal: Contaminated soils shall be hauled off the project site by waste hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California. Nonhazardous soil shall be sent to other sites to be used as import fill where accepted or shall be transported and disposed of at a licensed Class II or Class III landfill, as appropriate. Soil classified as California hazardous waste shall be transported either out of state to an appropriate licensed facility or to a Class I facility in California. Soil classified as RCRA hazardous waste shall be transported to a Class I landfill facility in California.					Department.
Step 3: Preparation of Closure/Certification Report After construction activities are completed, the project sponsor shall prepare and submit a closure/certification report to the SFDPH for review	Project Sponsor	After construction activities are completed.	Project Sponsor to prepare and submit a closure/certification	Project Sponsor and DPH.	Considered complete upon receipt and approval by

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
and approval. The closure/certification report shall include the mitigation measures in the SMPs for handling and removing contaminated soils from the project site, whether the construction contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures.			report to DPH.		DPH of final closure/certification report.
Mitigation Measure M-HZ-N1b Cathedral Hill, Davies [near-term], St. Luke's): Preparation of Unknown Contingency Plan					
Before the issuance of site, building, or other permit from the city for development activities involving subsurface disturbance, CPMC shall prepare and submit to SFDPH for approval a contingency plan to address unknown contaminants encountered during development activities. This plan, the conditions of which shall be incorporated into the first permit and any applicable permit thereafter, shall establish and describe procedures for implementing a contingency plan, including appropriate notification and site control procedures, in the event unanticipated subsurface hazards or hazardous material releases are discovered during construction. Control procedures shall include, but shall not be limited to, further investigation and, if necessary, remediation of such hazards or releases, including off-campus removal and disposal, containment, or treatment. In accordance with the procedures outlined in the ECPs, measures following the discovery of previously unidentified USTs or other subsurface facilities shall include, but shall not be limited to, the following: • Work at the location of the discovered tank shall be halted, the exposed portion of the tank shall be covered with plastic sheeting, and the area shall be secured while the tank and surrounding soil (if unvaulted) are evaluated. The site superintendent shall be notified, and an appropriate environmental professional shall be brought on-site to evaluate the nature, use, and extent of the tank. The contractor's health and safety plan shall be reviewed and revised, if necessary, and appropriately trained personnel (e.g., HAZWOPER trained) shall be mobilized to address the tank. If the tank is ruptured during discovery, the contractor, at the direction of the environmental professional, shall attempt to contain any contents that have been released to the soil. The top of the tank shall be uncovered to locate an access port, and the tank shall	Project Sponsor	Approval of unknown contingency plan prior to issuance of site, building, or other permits. Implementation of measures and procedures identified in unknown contingency plan during excavation and grading phases of construction.	Project Sponsor to prepare and submit a contingency plan to address unknown contaminants encountered during development activities to DPH.	Project Sponsor and DPH.	Considered complete upon approval of contingency plan by DPH and receipt of final monitoring report at completion of construction.

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be opened to evaluate the contents. The tank shall be sounded to evaluate its size and the presence and amount of tank contents remaining (if any). A sample of the contents shall be collected, if possible. On determining the nature and use of the tank, the environmental professional and/or contractor shall notify BAAQMD, SFDPH, and SFFD. During all work performed in response to the presence of the tank, the air in the working area shall be monitored for volatile organic compounds, and the tank shall remain covered with the tarpaulin whenever access is not necessary. Tanks discovered in vaults in basements shall be removed after the building above has been demolished. All tanks shall be removed in accordance with the procedures described in the ECPs for the campuses.

- If other subsurface facilities containing or associated with hazardous materials, such as oil pits, sumps associated with clarification or neutralization of liquid waste, piping associated with underground tanks, piping that may be composed of asbestos-containing material, and building drainage systems (e.g., waste lines, sewer laterals) are encountered during demolition and excavation, work in the area shall be halted and the facility be covered in plastic sheeting. If a sump and/or vaults are identified during excavation activities, the facility shall be managed in the same manner as required for underground tanks. If drainage lines or piping are encountered, they shall be observed and evaluated to determine use and composition. If piping contains liquid wastes, these wastes shall be contained as completely as possible, transferred to secure containers, sampled, and subsequently disposed of off-site. If piping is composed of asbestos-containing materials, the material shall be removed, bagged, and disposed of appropriately. If piping is not composed of asbestos-containing materials, it shall be removed and subsequently sent off-site as scrap. Soil adjacent to and in the vicinity of the discovered facilities shall be examined, evaluated, and managed as described for other soils at the campuses.

In the event unanticipated subsurface hazards or hazardous material releases are discovered during construction, the requirements of this

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
unknown contingency plan shall be followed. The contingency plan shall be amended, as necessary, in the event new information becomes available that could affect the implementation of the plan.					
Mitigation Measure M-HZ-N4a (Cathedral Hill) This mitigation measure is identical to M-HZ-N1a for near-term impacts and requires the preparation of site mitigation plan (SMPs) for the near-term projects at the Cathedral Hill Campus.	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a
Mitigation Measure M-HZ-N4b (Cathedral Hill) This mitigation measure is identical to M-HZ-N1b for near-term impacts and requires the preparation of unknown contingency plans for the near-term projects at the Cathedral Hill Campus.	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b
Mitigation Measure M-HZ-N4c (Davies [near-term]) This mitigation measure is identical to M-HZ-N1a for near-term impacts and requires the preparation of site mitigation plan (SMPs) for the near-term projects at the Davies Campus.	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a
Mitigation Measure M-HZ-N4d (Davies [near-term]) This mitigation measure is identical to M-HZ-N1b for near-term impacts and requires the preparation of unknown contingency plans for the near-term projects at the Davies Campus.	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b
Mitigation Measure M-HZ-N4e (St. Luke's) This mitigation measure is identical to M-HZ-N1a for near-term impacts and requires the preparation of site mitigation plan (SMPs) for the near-term projects at the St. Luke's Campus.	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a	See M-HZ-N1a
Mitigation Measure M-HZ-N4f (St. Luke's) This mitigation measure is identical to M-HZ-N1b for near-term impacts and requires the preparation of unknown contingency plans for the near-term projects at the St. Luke's Campus.	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b	See M-HZ-N1b

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DRAFT
6/20/2012

EXHIBIT E

Workforce Agreement

City and County of San Francisco

Edwin M. Lee, Mayor

First Source Hiring Program

Office of Economic and Workforce Development
Workforce Development Division

This Workforce Agreement (this "**Agreement**") is entered into as of _____, ____, 20__, by and between the City and County of San Francisco (the "**City**") through its First Source Hiring Administration ("**FSHA**"), and Sutter West Bay Hospitals, a California nonprofit public corporation doing business as California Pacific Medical Center ("**CPMC**").

All references in this Agreement to the "**Development Agreement**" shall refer to the Development Agreement Relating to the Construction and Reconstruction of Medical Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals dated _____. All references in this Agreement to the "City" shall mean the City acting by and through FSHA unless otherwise specified. Any capitalized term used in this Agreement that is not defined shall have the meaning given to such term in the Development Agreement. In the case of a conflict between the terms of this Agreement and the Development Agreement, this Agreement shall prevail.

RECITALS

WHEREAS, CPMC, as owner, proposes to construct new healthcare facilities at multiple locations within the City and County of San Francisco, which will include certain activities as follows: (i) a new hospital building on the west side of Van Ness Avenue at the intersection of Van Ness Avenue and Geary Boulevard and a new medical office building at the Cathedral Hill Campus on the east side of Van Ness Avenue at the intersection of Van Ness Avenue and Geary Street, (ii) a new Neuroscience Institute medical office building at the Davies Campus, and (iii) a new replacement hospital building and medical office building at the St. Luke's Campus (each, a "**Workforce Project**," and collectively, for purposes of this Agreement, the "**Workforce Projects**"); and

WHEREAS, CPMC is undertaking the Workforce Projects in order to comply with the requirements of California Senate Bill 1953 and of the California Office of Statewide Health Planning and Development to construct modern, seismically safe hospital facilities that would remain operational in the event of a major disaster, both to serve CPMC's patients and to play an important role in San Francisco's disaster response and preparedness system; and

WHEREAS, the Administrative Code of the City provides at Chapter 83 for a "First Source Hiring Program" which has as its purpose the creation of employment opportunities for Qualified Economically Disadvantaged Individuals (as defined herein); and

WHEREAS, construction of the Workforce Projects requires certain building permits for commercial activities of greater than 25,000 square feet and therefore falls within the scope of Chapter 83 of the Administrative Code; and

WHEREAS, CPMC has executed or will execute multiple contracts with general contractors to provide construction services for the Workforce Projects; and

WHEREAS, CPMC has a strong history of community outreach designed to foster employment opportunities for disadvantaged individuals, including: a partnership with City College in an evening and weekend registered nurse program with clinical rotations at CPMC's facilities and partnerships with community-based organizations ("**CBO's**") for foster care youth, internship placements and supervision for high risk youth, participation of CPMC's staff on CBO advisory committees for healthcare training, curriculum development and hiring for back-to-work programs, and development of career day events for the children of CPMC's employees; and

WHEREAS, CPMC wishes to expand its efforts to provide employment opportunities for disadvantaged individuals, including by voluntarily including other specified CPMC operations beyond the Workforce Projects; and

WHEREAS, CPMC may, under the Development Agreement, undertake additional construction activities that are not a part of the Near-Term Projects, and CPMC and the City shall, with respect to those construction activities, enter into a separate workforce agreement where required by Law and otherwise permitted under the terms of the Development Agreement; and

WHEREAS, in furtherance of, and in addition to, CPMC's commitment to the First Source Hiring Program and its ongoing community outreach, CPMC desires to voluntarily offer opportunities to local business enterprises in connection with the construction of the Workforce Projects as set forth below; and

WHEREAS, the City and CPMC agree that the San Francisco Office of Economic and Workforce Development ("**OEWD**"), the CityBuild program ("**CityBuild**") and the Healthcare Academy ("**HCA**") will serve the roles set forth below.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and CPMC covenant and agree as follows:

AGREEMENT

A. FIRST SOURCE HIRING PROGRAM FOR CONSTRUCTION

1. Purpose. The Purpose of this Section A is to memorialize the commitments and roles of the City and CPMC regarding the First Source Hiring Program for the Workforce Projects' initial construction activities as set forth below.

2. Definitions. For purposes of this Section A, the definitions shall be as follows:

a. CityBuild Academy: an 18-week training program at the City College of San Francisco, that is jointly-sponsored by CityBuild.

b. Contract: An agreement with a Contractor for construction services.

c. Contractor: A general contractor with whom CPMC enters into an agreement for one or more construction phases of the Workforce Projects.

d. Economically Disadvantaged Individual: An individual who is either (a) eligible for services under the Workforce Investment Act of 1998 (WIA) (29 U.S.C.A. 2801, et seq.), as determined by the OEWD; or (b) designated as "economically disadvantaged" by the FSHA as an individual who is at risk of relying upon, or returning to, public assistance, including unemployment benefits.

e. Entry Level Position: A non-managerial position, either union or non-union, that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include construction jobs related to the development of a commercial activity.

f. First Opportunity: Consideration by Contractor of System Referrals for filling Entry Level Positions prior to recruitment and hiring of non-System Referral job applicants.

g. Hiring Goals: As defined in Section 4.

h. Job Notification: Written notice, in accordance with Section 6(b) below, from Contractor to FSHA for any available Entry Level Position during the term of the respective Contract.

i. Phase: A phase or phases for each new facility in the Workforce Projects, mutually agreed upon by City and CPMC, which may include a Contract or multiple Contracts, for which each Contractor will provide the information listed in subsection 6(a)(i) below.

j. Qualified: An Economically Disadvantaged Individual who meets the minimum bona fide occupational qualifications provided by Contractor to the System in Contractor's Job Notification(s).

k. Resource Loaded Staffing Plan: a collaborative document by the Contractor, its Subcontractors and CityBuild that contains projections of the number of journeymen and apprentices that may be required during the term of a Contract.

l. San Francisco resident: An individual who is domiciled within the geographic boundaries of the City and County of San Francisco at least 7 days prior to their start date on the applicable work. The domicile of a person is that place in which his or her habitation is fixed, wherein the person has the intention of remaining and to which the person has the intention of returning when they are absent. At a given time, a person may have only one domicile.

m. System: The San Francisco Workforce Development System established by the City and County of San Francisco, and managed by the OEWD, for maintaining (1) a pool of Qualified individuals, and (2) the mechanism by which such individuals are certified and referred to prospective employers covered by the First Source Hiring requirements under Chapter 83 of the San Francisco Administrative Code. Under this Agreement, CityBuild will act as the representative of the San Francisco Workforce Development System.

n. System Referrals: Referrals by CityBuild of Qualified applicants for Entry Level Positions with a Contractor, as applicable.

o. Subcontractor: A person or entity that has a direct contract with a Contractor to perform a portion of the work under a Contract.

3. Agreements with general contractors. CPMC has executed or will execute various Contracts with Contractors. CPMC will include in each Contract a provision requiring the Contractors to (i) adhere to the obligations set forth in this Agreement, and (ii) execute the Form 1 CityBuild Workforce Projection Form attached hereto as Attachment 1. It is CPMC's responsibility to provide a signed copy of each executed Attachment 1 to the First Source Hiring Program and CityBuild.

4. Roles of parties. CPMC agrees to participate in the San Francisco Workforce Development System as set forth below, and the City and CPMC agree that OEWD and CityBuild will serve the roles set forth below.

5. Hiring goals. So long as this Agreement remains in full force and effect, CPMC's Contractors shall make good faith efforts in accordance with Section 9 to ensure the following hiring goals with respect to each Contract:

a. With respect to new Entry-Level Positions for non-union administrative and engineering candidates, a Contractor and its Subcontractors will work to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals.

b. With respect to new Entry-Level Positions for administrative and engineering internship candidates, a Contractor and its Subcontractors will work to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals.

c. With respect to new Entry-Level Positions for union apprentice candidates, the Contractor, its Subcontractors, and OEWD will work together to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals who must also be graduates of CityBuild Academy. The Contractor along with its Subcontractors and their applicable unions will confirm the number of new union apprentices that will be required for the Contract and the annual variability of that demand throughout the course of the Contract. The methodology to be used to estimate the number of new union apprentices shall be 21% of the projected number of apprentice hours overall.

d. With respect to new and core opportunities for union journeymen and apprentices, a Contractor and its Subcontractors will work to achieve a minimum of thirty percent (30%) of trade hours (i.e., 30% of journeymen and apprentice trade hours combined, and not 30% in each category) to be performed by San Francisco residents. This goal will be measured based upon (1) trade hours for the overall Contract, (2) trade partners, regardless of tier, and (3) hours by craft. A Contractor's obligation to hire new union entry-level apprentice candidates set forth in Section 5(c) above shall be credited towards the Contractor's obligation to hire San Francisco residents under this Section 5(d).

6. Participation of Contractor in System. Contractor's participation shall be as follows:

a. CPMC and CityBuild shall mutually identify appropriate Phases for each Contractor to provide the information listed in subsection (i) below. At least sixty (60) days prior to any mobilization or start of work for such Phase, Contractor shall provide CityBuild the following information about Contractor's employment needs for the construction of such building under the respective Contract(s):

i. On Attachment 1, the CityBuild Workforce Projection Form, Contractor will provide a detailed numerical estimate of journey and apprentice level positions to be employed on each Contract within a Phase for each trade.

ii. Contractor is required to ensure that a CityBuild Workforce Projection Attachment 1 is also completed by each Subcontractor with contracts in excess of $500,000.00 for a Phase.

iii. Contractor will collaborate with CityBuild staff in completing a Resource Loaded Staffing Plan ("**RLSP**") to identify, by trade, the number of workers at project start and the number of workers at that portion's peak and the number of positions that will be required to fulfill the First Source local hiring goals. The RLSP will constitute the First Source Hiring Plan for the Phase.

b. Contractor must promptly deliver to FSHA, or its designee, a Job Notification for any available Entry Level Positions and apprentice positions subject to this Agreement as they become available during the Phase, and shall also undertake the following:

i. Contractor must (A) give good faith consideration to all System Referrals, (B) review the resumes of all such referrals, (C) conduct interviews for posted Entry Level Positions and apprentice positions in accordance with the non-discrimination provisions of the Contract, and (D) notify CityBuild of any new Entry Level Positions and apprentice positions subject to this Agreement for the duration of the Contract.

ii. Contractor must provide constructive feedback to CityBuild on all System Referrals in accordance with the following:

(A) If Contractor meets the criteria in Section 9(b) below that establishes "good faith efforts" of Contractor, Contractor must only respond orally to follow-up questions asked by the CityBuild account executive regarding each System Referral; and

(B) After Contractor has filled at least five (5) Entry Level Positions or apprentice positions under this Agreement, if Contractor is unable to meet the criteria in Section 9(b) below that establishes "good faith efforts" of Contractor, Contractor will be required to provide written comments on all System Referrals.

c. Contractor will provide timely notification to CityBuild of the hiring of Entry Level Positions, apprentice positions, and San Francisco residents subject to this Agreement, which notification will include the identity of such party; provided, however, that with respect to non-System Referrals, Contractor's notification shall only be required to include such party's name, address and position.

d. OEWD, through its network of Community Based Organizations and the City's One-Stop System, shall be designated as the referral source for San Francisco residents as stated in Sections 5(a) and (b) above.

e. The Contractors and its Subcontractors will mutually determine annual apprentice hiring targets for each Contract. The methodology to be used to estimate the number of new union apprentices shall be 21% of the projected number of apprentice hours overall. This data will be contained in the RLSP. This apprentice hiring target data shall be broken down by trade and agreed to by the Contractor, its Subcontractors and CityBuild.

f. The Contractor and its applicable Subcontractor(s) will collaborate on the development of a program that would provide qualified CityBuild new apprentices opportunities to become journeymen by the end of the Contract.

i. The Contractor, its Subcontractor(s) and CityBuild will collaborate on developing a structured process to facilitate the advancement of targeted apprentices into journeyman status by the end of the Contract.

ii. Apprentices may work for different companies (signatory to the same union) through the course of the Contract to achieve the goal of journeyman status.

iii. In addition to on-the-job training, apprentices will need to fulfill the training requirements of their respective union to become journeymen.

g. CityBuild will provide a list of past graduates from the CityBuild Academy program. The Contractor and its Subcontractors will review the list and determine:

i. Which graduates are residents of the City of San Francisco, currently apprentices and are currently unemployed.

ii. Which graduates are residents of the City of San Francisco, currently journeymen and are currently unemployed.

iii. Based upon apprentice needs for each trade, the Contractor and its Subcontractors will engage their respective unions to dispatch CityBuild graduates who are indentured apprentices.

h. City Build will rely on the annual apprentice hiring targets established in the Resource Loaded Staffing Plan to align its training program with project needs. Depending on the specific unions' collective bargaining agreements, pre-apprentices will:

i. Be graduates of CityBuild Academy and eligible for the applicable unions' pre-apprenticeship programs (after completing and qualifying with union pre-qualification processes such as entrance exams and training), or

ii. Be sponsored as candidates into the respective unions' pre-apprenticeship programs.

iii. The Contractor, its Subcontractors and respective unions will work together in outreach to CityBuild Academy and/or for enrichment of its curriculum.

i. Should CityBuild not be able to provide the necessary number of apprentices to meet the hiring goal through CityBuild Academy, the Contractor and its Subcontractors will work with their respective unions to obtain other apprentice candidates who are San Francisco residents to the extent possible. If qualified apprentice candidates who are San Francisco residents are not available then the Contractor and its Subcontractors shall obtain apprentice candidates from elsewhere including outside the city of San Francisco.

j. Any entry-level or apprentice opportunity improperly withheld from OEWD under this Section A.6 shall be considered a breach of this Agreement and shall be subject to the enforcement provisions of Section E below.

7. Contractor retains discretion regarding hiring decisions. Contractor's participation in the system and discretion regarding hiring decisions are as follows:

a. Contractor agrees to offer the System the First Opportunity to provide Qualified applicants for employment consideration in Entry Level Positions and apprentice positions, subject to any enforceable collective bargaining agreements. Contractor shall consider all applications of Qualified System Referrals for employment in Entry Level Positions and apprentice positions. Provided Contractor utilizes nondiscriminatory screening criteria, Contractor shall have the sole discretion to interview and hire any System Referrals.

b. Contractor will invite its Subcontractors, local union representatives and CityBuild to develop mutually agreeable processes that strive to determine how 50% of new union apprentice opportunities will be filled to the extent possible by qualified San Francisco residents, distinct from the 50% that will be filled by CityBuild Academy graduates in Section 5(c).

c. When union journeyman labor is required, the Contractor and its Subcontractors will directly engage the respective trade unions in dispatch processes based on the Project Labor Agreement for the Contract that will help to achieve the hiring goals.

d. The Contractor and its Subcontractors will make labor requests for journeymen directly from the union hiring halls.

8. Compliance with collective bargaining agreements. Notwithstanding any other provision hereunder, if Contractor is subject to any collective bargaining agreement(s) requiring compliance with a pre-established applicant referral process, Contractor's only obligations with regards to any available Entry Level Positions subject to such collective bargaining agreement(s) during the term of the Contract shall be the following:

a. Contractor shall notify the appropriate union(s) of the their obligations under this Agreement and request assistance from the union(s) in referring Qualified applicants for the available Entry Level Position(s), to the extent such referral can conform to the requirements of the collective bargaining agreement(s).

b. Contractor shall use "name call" privileges, in accordance with the terms of the applicable collective bargaining agreement(s), to seek Qualified applicants from the System for the available Entry Level Position(s).

c. CPMC or Contractor, as applicable, shall sponsor Qualified apprenticeship applicants, referred through the System, for applicable union membership.

d. The Contractor and its Subcontractors shall employ apprentices on the Contract consistent with the ratios contained in the applicable apprenticeship program's standards as approved by the State of California, Division of Apprenticeship Standards.

e. The following workforce provisions shall be incorporated into any Contracts for the Workforce Projects: Workforce Development Group: Contractor will create a group whose purpose is proactively engage and collaborate in supporting the fulfillment of the goals in the Construction Workforce Development Plan. Contractor will invite the Subcontractors' on-site management staff, CPMC, a CityBuild representative and representatives from the local trade unions to participate in the group.

9. Contractor's and CPMC's good faith efforts. Contractor and CPMC will make good faith efforts to comply with their respective obligations to participate in the System under this Agreement. A Contractor's failure to meet the percentage of Workforce Referral as set forth in the RLSP does not impute "bad faith" to CPMC or such Contractor. Such failure shall trigger a review of the referral process and the Contractor's or CPMC's efforts to comply with this Agreement. Such review shall be conducted by FSHA in accordance with Section 15 (c) below. Determinations of Contractor's or CPMC's good faith efforts shall be in accordance with the following:

a. CPMC shall be deemed to have used good faith efforts if CPMC incorporates the applicable terms of this Agreement into each Contract.

b. Contractor shall be deemed to have used good faith efforts if Contractor:

i. accurately completes and submits prior to the start of each Phase Attachment 1, the CityBuild Workforce Projection Form 1.

ii. meets with a CityBuild representative to review and discuss Contractor's plan to meet Contractor's local hiring obligations under San Francisco's First Source Hiring Ordinance (Municipal Code- Chapter 83) or the City and County of San Francisco Administrative Code Chapter 6.

iii. contacts a CityBuild representative to review Contractor's hiring projections and goals for the Contract.

iv. submits to CityBuild a "Projection of Entry Level Positions" form or other formal written notification specifying your expected hiring needs during the term of the respective Contract.

v. notifies Contractor's respective union(s) regarding Contractor's local hiring obligations and request their assistance in referring qualified San Francisco residents for any available position(s). This step applies to the extent that such referral would not violate Contractor's unions' collective bargaining agreement(s).

vi. reserves its "name call" privileges for Qualified System Referrals and/or Residents of San Francisco. This should be done within the terms of applicable collective bargaining agreement(s).

vii. submits a Job Notification to CityBuild for each Entry Level apprentice position that becomes available. Within one (1) full business day following notification, CityBuild will respond to provide appropriate candidate(s) if available (example: CityBuild receives a job notification from Contractor at 10am on Monday. "One full business day" allows for the referral to be provided to the Contractor on the following Wednesday by 10am). Contractor should simultaneously contact its union about the position as well and let the union know that Contractor has contacted CityBuild as part of its local hiring obligations.

viii. complies with the following: Contractor has an ongoing, affirmative obligation to advise each of its Subcontractors of their ongoing obligation to notify CityBuild of any/all apprentice openings that arise throughout the term of the respective Contract, including openings that arise from layoffs of original crew. Contractor shall not exercise discretion in informing CityBuild of any apprentice position; rather, CityBuild is to be universally notified, and a discussion

between the Contractor and CityBuild shall determine whether a CityBuild graduate would be an appropriate placement for any apprentice level position.

ix. hires qualified candidate(s) subject to this Agreement referred through the System. In the event of the firing/layoff of any System Referral, CPMC/Contractor will notify CityBuild staff within two (2) business days of the decision and provide justification for the layoff; ideally, CPMC/Contractor will request a meeting with the project's employment liaison as soon as any issue arises with a System Referral in order to remedy the situation before termination becomes necessary.

x. submits payroll records for union workers on a timely basis into Elation's certified payroll reporting system, thereby certifying the payroll records. Contractor will also provide documentation and any other relevant workforce records to CityBuild upon request.

xi. maintains accurate records of its efforts to meet the steps and requirements listed above. Such records must include (1) the maintenance of an on-site First Source Hiring Compliance binder, as well as records of any new hire made by the Contractor whom the Contractor believes meets the First Source Hiring criteria; and (2) any further efforts or actions agreed upon by CityBuild staff and Contractor on a Contract-by-Contract basis.

10. Compliance with this Agreement by Subcontractors. In the event that Contractor subcontracts a portion of the work under the respective Contract, Contractor shall determine how many, if any, of the Entry Level Positions and apprentice positions are to be employed by its Subcontractor(s) using Form 1: the CityBuild Workforce Projection Form, attached hereto as Attachment 1 and the RLSP; provided, however, that the applicable Contractor shall retain the primary responsibility for meeting the requirements imposed under this Agreement. Contractor shall ensure that this Agreement is incorporated into and made applicable to such Subcontract.

11. Exception for essential functions. Nothing in this Agreement precludes Contractor from using temporary or reassigned existing employees to perform essential functions of its operation; provided, however, the obligations of this Agreement to make good faith efforts to fill such vacancies permanently with System Referrals and/or San Francisco residents remains in effect. For these purposes, "essential functions" means those functions absolutely necessary to remain open for business.

12. Contractor's/CPMC's compliance with existing employment agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this Agreement and an existing agreement, the terms of the consent decree or existing agreement shall supersede this Agreement and CPMC/Contractor shall promptly inform FSHA of any such conflicts as soon as it becomes aware of same. The parties agree to work in good faith to seek alternatives or variations, excluding any that would not comply with collective bargaining agreements, to maintain the benefit of the bargain of this Agreement.

13. Hiring goals exceeding obligations of this Agreement. Nothing in this Agreement shall be interpreted to prohibit the adoption of hiring and retention goals, first source hiring and interviewing requirements, notice and job availability requirements, monitoring, record keeping, and enforcement requirements and procedures which exceed the requirements of this Agreement.

14. Obligations of CityBuild. Under this Agreement, CityBuild shall:

a. Upon execution of an RLSP for a given Contract, immediately initiate recruitment and pre-screening activities;

b. Determine that persons are Economically Disadvantaged Individuals and recruit such Qualified Economically Disadvantaged Individuals to create a pool of applicants for jobs who match Contractor's Job Notification and to the extent appropriate train applicants for jobs that will become available through the First Source Program;

c. Screen and refer applicants according to qualifications and specific selection criteria submitted by Contractor;

d. Coordinate funding for City-sponsored pre-employment, employment training, and support services programs;

e. Follow up with Contractor on outcomes of System Referrals and initiate corrective action as necessary to maintain an effective employment/training delivery system;

f. Provide Contractor with reporting forms for monitoring the requirements of this Agreement; and

g. Monitor the performance of the Agreement by examination of records of Contractor as submitted in accordance with the requirements of this Agreement.

15. Contractors' reporting and recordkeeping obligations. Contractor shall:

a. Maintain accurate records demonstrating Contractor's compliance with the First Source Hiring requirements of Chapter 83 of the San Francisco Administrative Code including, but not limited to, the following:

i. System Referrals

ii. Job offers to System Referrals

iii. Hires of System Referrals

iv. Rejections of System Referrals

b. Submit completed reporting forms based on Contractor's records to CityBuild quarterly, unless more frequent submittals are reasonably required by FSHA. In this regard, Contractor agrees that if a significant number of positions are to be filled during a given period or other circumstances warrant, CityBuild may require daily, weekly, or monthly reports containing all or some of the above information.

c. The hiring goal for union journeymen and apprentices will be measured based upon (1) trade hours for the overall Contract, (2) Subcontractors, regardless of tier, and (3) hours by craft and will include core employees and new hires.

d. Maintain records for all dispatch where a San Francisco resident was not available. These records shall be maintained and kept for the duration of the Contract.

e. If based on complaint, failure to report, or other cause, the FSHA has reason to question Contractor's good faith effort, Contractor shall demonstrate to the reasonable satisfaction or the City that it has exercised good faith to satisfy its obligations under this Agreement.

16. Project Reporting System. CPMC shall purchase use of the City's Project Reporting System (PRS) for the Contractor and its Subcontractors for reporting workforce data/payroll for the project. OEWD shall monitor progress towards the Hiring Goals through the use of the PRS.

17. Performance review. Upon substantial completion of the Workforce Projects and at a minimum every six (6) months during the course of the Workforce Projects, the OEWD shall assess the performance of Contractors and Subcontractors in meeting the Hiring Goals herein.

B. LOCAL BUSINESS ENTERPRISE HIRING AGREEMENT

1. Purpose, Scope and Roles of Parties. In connection with the design and construction of the Project, CPMC desires to continue its strong history of community outreach designed to foster employment opportunities for disadvantaged individuals by voluntarily offering employment opportunities to local business enterprises as. CPMC agrees to participate in a local business enterprise program, and FSHA agrees to work with CPMC in this effort, as set forth below

2. Definitions. For purposes of this Section B, the definitions shall be as follows:

a. Contract(s): An agreement, whether a direct contract or subcontract, to construct a portion of the Workforce Projects.

b. Contractor: A person or entity that enters into a direct Contract with CPMC.

c. Local Business Enterprise ("**LBE**"): Means a business that either (i) meets the definition of a Certified LBE set forth in this Agreement, or (ii) has been certified as a LBE by a public or private entity.

d. Subcontractor: A person or entity that has a direct contract with a Contractor to perform a portion of the work under a Contract.

3. LBE certification. A certified LBE is any business that meets all of the following criteria:

a. The business is financially and operationally independent from, and operates at arm's length to, any other business.

b. The business is continuously in operation.

c. The business is a for-profit enterprise.

d. The business performs a commercially useful function.

e. The business maintains its principal place of business in a fixed office within the geographic boundaries of the City that provides all of the services for which LBE certification is sought, other than work required to be performed at a job site; provided, however, that suppliers are not required to maintain their principal place of business in San Francisco, but are required to maintain a

fixed office in San Francisco that meets all of the requirements of this Section other than the principal place of business requirement.

An office is a fixed and established place of business, including a qualified home office, where business is conducted on a regular basis of the type for which certification is sought. A residence qualifies as an office only if none of the persons who own or control the business also maintains an office outside the residence in the same or related field, and the persons who own or control the business claimed a business deduction on the prior year's income tax return, or for, businesses started after the last tax return, would qualify for a deduction on the next tax return. None of the following constitutes an office: a post office box, a temporary location, a movable property, a location that was established to oversee a project such as a construction project office, or work space provided in exchange for services, as opposed to monetary rent.

To establish a principal place of business in San Francisco, a business must demonstrate that the majority of its principals are based in the San Francisco office, and that it pays San Francisco payroll taxes on at least 51% of its total payroll.

Suppliers must maintain a warehouse in the City that is continuously stocked with inventory consistent with their certification. Truckers must park their registered vehicles and trailers within the City.

f. The business possesses a current San Francisco Business Tax Registration Certificate.

g. The business has been located and doing business in San Francisco for at least six months preceding the application for certification.

h. The business owner has licenses or other relevant trade or professional certifications, or, where licensing is not required, relevant training and experience that are appropriate for the type of business for which the business seeks certification.

i. The business is owned and controlled as defined herein by individuals who reside in the United States or its territories.

j. The business has average gross annual receipts in the prior three fiscal years.

k. The business is not owned or controlled as defined herein in part or in whole by a full time City employee.

l. The business has average gross annual receipts in the prior three fiscal years that do not exceed the following limits: (1) public works/construction - $33,500,000; (2) specialty construction contractors - $17,000,000; (3) goods/materials/equipment and general services - $17,000,000; (4) professional services and architect/engineering - $7,000,000; and (5) trucking - $8,500,000.

4. Hiring Goals. As long as this Agreement remains in full force and effect, CPMC shall make a good faith effort to ensure that at least fourteen percent (14%) of the cost of all Contracts for the Workforce Projects are awarded to Contractors or Subcontractors that qualify as certified LBE's under this Agreement. CPMC and City acknowledge and agree that CPMC's efforts to award Contracts to LBE's are voluntary, and that CPMC and its Contractors shall have the sole discretion to confirm certification of, or otherwise screen, hire or not hire LBE's. If CPMC and its Contractors do not meet the

LBE hiring goal set forth above, they will nonetheless be deemed to satisfy the good faith effort obligation of this Section 4 as follows:

a. CPMC shall be deemed to have used good faith efforts if CPMC incorporates the applicable terms of this Agreement into each Contract.

b. Contractor shall be deemed to have used good faith efforts if it undertakes the following:

i. Creates a Workforce Development Group whose purpose is to proactively engage and collaborate in supporting the fulfillment of the goals in this Agreement. Contractor will invite the trade partners' project management staff, CPMC and CityBuild to participate in the group.

ii. Makes reasonable efforts to maintain records of LBEs that are awarded Contracts for the Workforce Projects.

iii. Attends the meet and confer process in Section 5.

5. Meet and Confer Process. Upon substantial completion of the Workforce Projects and every six (6) months during the course of the Workforce Projects, CPMC, its Contractors and the FSHA shall meet and confer to assess the performance of Contractors in meeting the LBE hiring goals.

C. FIRST SOURCE HIRING AGREEMENT FOR CPMC OPERATIONS

1. Purpose and Scope. CPMC currently works to identify and hire entry-level applicants for non-construction positions who are residents of the City and County of San Francisco, and expects to hire additional entry-level applicants for non-construction positions during and after the construction of the Workforce Projects. CPMC will use good faith efforts as defined herein to work with the Health Care Sector Academy ("**HCA**") of the San Francisco Office of Economic and Workforce Development ("**OEWD**") to identify and hire residents of the City and County of San Francisco, specifically targeting the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/ Excelsior, Chinatown and Southeastern neighborhoods to fill new entry-level, non-construction positions at CPMC. OEWD will coordinate and designate representatives of the San Francisco Workforce Development System to recruit, pre-screen, train and refer qualified Eligible Individuals. The provisions of this Agreement shall apply only to employees hired by CPMC to be assigned on a primary basis to positions within the City and County of San Francisco. CPMC efforts to recruit and hire employees to be assigned to any positions at locations outside of the City and County of San Francisco are not within the scope of this Agreement. If CPMC fulfills its obligations under this Agreement, CPMC shall not be held responsible for any failure of a tenant to comply with Chapter 83 requirements.

2. Definitions. For purposes of this Section C, the definitions are as follows:

a. Annual Hiring Target. Defined in Section 3 below.

b. Applicant. An individual who has (a) completed and submitted an application via the approved CPMC application process; (b) applied for a specific job; and (c) met the minimum qualifications established for the job applied for.

c. Automatic Extension. Defined in Section 3 below.

d. Available Entry Level Position. An Entry Level Position for which CPMC plans to hire a new employee. The term "Available Entry Level Position" shall include both regular full-time and part-time jobs, as well as limited term (per diem) jobs.

e. Candidate. An individual who is interested in a position, but has not satisfied the definition of an "Applicant," as defined herein.

f. Eligible Individual. An individual who is referred to CPMC by HCA and who is either (a) eligible to participate in a program authorized by the Workforce Investment Act of 1998, 1998 PL 105-220 (HR 1385), as determined by the San Francisco Workforce Investment Board (WISF) and the San Francisco Office of Economic and Workforce Development; or (b) designated as "economically disadvantaged" by the FSHA, meaning an individual who is at risk of relying upon, or returning to, public assistance, including unemployment insurance. For purposes of this agreement, Eligible Individuals will not be considered Applicants or employees of CPMC.

g. Entry Level Position. A non-construction, non-managerial and non-supervisory position at CPMC that requires neither education above a high school diploma or certified equivalency, nor more than two (2) years of training or specific preparation. The types of Entry Level Positions that may be available at CPMC include, but are not limited to, the following:

Vocational:

i. Home Health Aide

ii. Phlebotomist

iii. EKG Technician

iv. Medical Assistant

v. Emergency Medical Technician

vi. Rehabilitation Aide

vii. Speech Therapy Aide

viii. Pathology Lab Accessioner

ix. Certified Nursing Assistant

x. Hospital Attendant

xi. Certified Hospital Attendant

xii. Unit Coordinator

Non-clinical/clerical occupations:

i. Medical Administrative Assistant

ii. Health Information Technology/Billing

iii. Housekeepers

iv. Food Services Aide

v. Cook

vi. Security Officer

vii. Transporter/Transport Aide

viii. Sales Gift Shop

ix. Aquatic Instructor

x. Client/Patient Services Representative

xi. Patient Registration Representative

xii. Point of Service Specialist

xiii. PBX Operator

Internship / Externship positions:

i. Medical Assistant

ii. EKG Technician

iii. Phlebotomist

iv. Medical Administrative Assistant

v. Youth Sector Bridge Participants

h. Hiring Deficiency. Defined in Section 3 below.

i. Hiring Year. Defined in Section 3 below.

j. Job Notification. Written notice, in accordance with Section 4 below, from CPMC to the HCA for any Available Entry Level Position during the term of the Agreement.

k. Qualified Pool. The pool of Applicants who have met the job qualifications and passed the applicable employment screening test, and are thus eligible to be interviewed by CPMC for Available Entry Level Positions at CPMC. Candidates may apply for multiple job categories through a single application.

l. System. The San Francisco Workforce Development System established by the City and County of San Francisco, and managed by the OEWD, for maintaining (a) a pool of Eligible Individuals, and (b) the mechanism by which such individuals are certified and referred to prospective employers who are subject to the First Source Hiring requirements under Chapter 83 of the

San Francisco Administrative Code. For the purposes of this Agreement, the certification and referral component of the System includes the activities of the HCA.

m. System Referrals. Trainees referred by the System via the HCA to CPMC as Candidates for Available Entry Level Positions.

n. Trainees. Eligible Individuals who are currently undertaking or have already completed the training programs provided or directed by the HCA in connection with this Agreement.

3. Hiring Goals. As long as this Agreement remains in full force and effect, CPMC's hiring goals shall be to hire at least forty (40) System Referrals for Available Entry Level Positions ("**Annual Hiring Target**") in each consecutive 12-month period following the Effective Date (each, a "**Hiring Year**"). Notwithstanding the foregoing, if CPMC does not meet its Annual Hiring Target in any Hiring Year (a "**Hiring Deficiency**"), the number of Entry Level Positions constituting the Hiring Deficiency will roll over and be added to the Annual Hiring Target for the following Hiring Year (for example: if CPMC hires 30 System Referrals for Available Entry Level Positions during the first Hiring Year, thereby creating a 10-person Hiring Deficiency, the Annual Hiring Target for the second Hiring Year will be increased so that CPMC will hire a total of up to 50 System Referrals for Available Entry Level Positions during the term of this Agreement). If a Hiring Deficiency exists at the end of the term of this Agreement, then the term will be automatically extended ("**Automatic Extension**") until such time as CPMC achieves the full Annual Hiring Target for each Hiring Year (for example: if CPMC hires 40 System Referrals for Available Entry Level Positions in the first, second and fourth Hiring Years, the term will be extended until the date that CPMC hires 30 additional System Referrals for Available Entry level Positions).

a. Good Faith Efforts. CPMC will make good faith efforts to meet the hiring goals set forth in Section 3 above. Determinations of CPMC's good faith efforts shall be in accordance with the following:

i. CPMC shall be deemed to have used good faith efforts to meet the hiring goals set forth in Section 3 if CPMC satisfies each of its obligations under Section 4, below.

ii. CPMC's failure to meet the hiring goals set forth in Section 3 does not impute "bad faith." If the FSHA challenges CPMC's good faith efforts, CPMC shall use commercially reasonable efforts to provide information to the FSHA in an attempt to demonstrate to the reasonable satisfaction of the City that it has exercised good faith to satisfy its obligations under this Agreement (keeping in mind that CPMC's compliance with Section 4 below shall be deemed to constitute good faith efforts). Failure to meet the hiring goals set forth in Section 3 may also trigger a review of the recruitment and referral processes developed under this agreement for possible modification. CPMC's proactive participation in such a review will also be a demonstration of good faith under this Agreement.

iii. CPMC shall be deemed to have used good faith efforts with respect to tenant obligations if CPMC incorporates the applicable terms of this Agreement into each lease a tenant.

4. Hiring Obligations. Commencing as of the Effective Date, CPMC shall follow the below hiring procedures:

a. Hiring Procedures. CPMC shall process all Candidates and Applicants through CPMC's standard hiring methods; however, CPMC shall adhere to the following protocols:

CPMC shall promptly deliver by mail, messenger or facsimile to the HCA, a Job Notification for any Available Entry Level Positions, as soon as they become available during the term of the Agreement. For each Available Entry Level Position, the following requirements apply:

i. The Job Notification shall provide a clear, accurate job description, including expectations, whether the position is part time (less than 32 hours a week) or full time, permanent or limited time, minimum wages to be paid, and any special requirements.

ii. During the ten (10) business day period following delivery of the Job Notification, CPMC may only interview and/or hire Eligible Individuals for the Available Entry Level Position but may publicize the upcoming position. Prior to interviewing and/or hiring any other applicants for the Available Entry Level Position, CPMC shall first review any applications received from Eligible Individuals during the ten (10) business day period following delivery of the Job Notification.

iii. CPMC shall not be required to deliver a Job Notification or hire an Eligible Individual for an Available Entry Level Position if CPMC reasonably determines that there is an urgent need to fill that position immediately in order to perform essential functions of its operation. If CPMC determines that there is an urgent need to fill a position immediately in order to perform essential functions of its operations in reliance on this subsection, it shall provide OEWD written notice of this fact within ten (10) business days.

b. Job Needs Communications. As soon as reasonably practical after the Effective Date of this Agreement, CPMC shall provide to FSHA a completed Non-Construction First Source Employer's Projection of Entry Level Positions form as set forth in Attachment 2 . The CPMC representative (e.g. the Human Resources Manager) designated on the form shall coordinate with the HCA in order to furnish information regarding the number and types of upcoming job openings at CPMC after submittal of the form and throughout the term of this Agreement, to the extent that such job openings can be identified. This communication shall include the job classification, weekly hours required, job duties, salary and benefits information.

c. Standard Retention Efforts. In order to promote retention among the newly hired System Referrals, CPMC shall implement retention efforts consistent with CPMC company practices. CPMC shall have the sole discretion to modify its retention efforts at any time.

d. Additional Retention Efforts. In addition to the standard retention efforts described above, a CPMC representative shall communicate with the HCA on a regular basis to provide feedback intended to enhance the hiring of, and satisfactory job performance by, the System Referrals. This feedback shall be general in nature and shall not be focused on specific individuals.

e. Deemed Compliance. CPMC will be deemed to have met its obligation under this Agreement provided that it has hired at least forty (40) System Referrals in each consecutive 12-month period for the five (5) years following the Effective Date.

f. Record-Keeping Obligations. CPMC shall use reasonable efforts to obtain and keep records of the number of System Referrals interviewed for Available Entry-level Positions and those eventually hired by CPMC.

g. Reporting Obligations. CPMC shall cause the information gathered pursuant to Section f, above, to be reported to the HCA every six (6) months and include aggregated information on the zip codes of hired System Referrals.

5. CPMC Retains Discretion Regarding Hiring Decisions. CPMC shall have the sole discretion to make all hiring decisions, including determining whether a System Referral shall be interviewed for an Available Entry Level Position, or is qualified for that position. The parties agree and acknowledge that every individual considered by CPMC for employment in a particular job category must pass an employment test to be placed into the Qualified Pool for that job category, and that Candidates who fail to pass a drug test, a background check, and/or any other nondiscriminatory pre-employment conditions that CPMC establishes from time to time in its sole discretion, will not be hired by CPMC. Any System Referral who is hired by CPMC shall have the same rights and obligations as all other employees in similar positions. CPMC shall not discriminate against any employees on the basis of participation in the First Source Hiring Program. Employment with CPMC is not for a specified term and is at the mutual consent of the employee and CPMC, and the employment relationship may be terminated with or without cause, and with or without prior notice, by either the employee or CPMC. Nothing in this Agreement is intended to alter the "at-will" nature of an individual's employment with CPMC.

a. No Modification of CPMC Hiring Practices. Nothing in this Agreement shall require CPMC to (a) modify in any manner its hiring practices including, without limitation, any computerized application system, background checks, drug tests, and skills tests; or (b) to violate any court order, consent decree, law or statute.

b. Exception for Essential Functions. Nothing in this Agreement shall preclude CPMC from using temporary or reassigned existing employees to perform essential functions of its operation; provided, however, CPMC's obligation to use good faith efforts to meet the hiring goals set forth in Section 3 shall remain in effect. For these purposes, "essential functions" means those functions necessary to meet business obligations.

6. FSHA's Obligations. Pursuant to this Agreement, the HCA shall:

a. Provide for City sponsored pre-employment screening, employment training, and support services programs. HCA anticipates that the majority of the System Referrals will be from the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods.

b. Follow up with CPMC on the outcomes of System Referrals, and initiate corrective action as necessary to maintain an effective employment training and delivery system;

c. Provide CPMC with reporting forms, consistent with the reporting obligations set forth in Section 4(f), above, for monitoring the requirements of this Agreement; and

d. Monitor the performance of the Agreement by examination of records of CPMC hiring activities as submitted in accordance with the requirements of this Agreement.

7. Report Delivery. Notwithstanding any notice provision to the contrary in this Agreement, any reports required of CPMC under this Agreement (collectively, "**CPMC Reports**") shall be delivered to the address of the HCA pursuant to this Section via first class mail, postage paid, and such CPMC Reports shall be deemed delivered two (2) business days alter deposit in the mail in accordance with this Subsection.

8. Tenant First Source Hiring. CPMC and FSHA shall work together in good faith to identify and implement an appropriate program for first source hiring for CPMC's tenants pursuant to Administrative Code Chapter 83, based on the FSHA's standard requirements and procedures with respect to commercial tenants.

D. WORKFORCE TRAINING PAYMENT

CPMC shall provide the sum of Two Million Dollars ($2,000,000.00) to the City as a contribution to the City's programs that provide workforce training to economically disadvantaged residents. Such payments shall be made by CPMC as follows: (1) Five Hundred Thousand and No 100ths Dollars ($500,000.00) upon the date that CPMC Commences Construction of a Workforce Project (2) Two Hundred Fifty Thousand and No 100ths Dollars ($250,000.00) annually thereafter for the next four years, (3) Two Hundred and Fifty Thousand and No/100ths Dollars ($250,000.00) upon the receipt of a certificate of occupancy (or, in the case of a hospital building, the issuance of a field acceptance by OSHPD) for the first Workforce Project building; and (4) Two Hundred Fifty Thousand and No/100ths Dollars ($250,000.00) one year following the due date for the payment specified in (3). The funds shall be paid to and managed by OEWD in consultation with CPMC. OEWD shall use the funds paid by CPMC for workforce training purposes only.

E. ENFORCEMENT AND REMEDIES

CPMC shall use commercially reasonable good faith efforts to enforce the Contractors' and tenants' obligations pursuant to the terms of this Agreement. OEWD shall (1) advise CPMC, in writing, of any alleged breach on the part of the Workforce Projects' Contractors with regard to participation in the First Source Hiring Program at the Workforce Projects, and (2) work with Contractor and Subcontractors, as applicable, to create a corrective action plan to address First Source violations prior to seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code.

This Agreement is an approved "First Source Hiring Agreement" as referenced in Section 83.11 of the Administrative Code. So long as CPMC fulfills its mandatory First Source Hiring Program obligations under Sections A and C of this Agreement that pertain to requirements of Chapter 83 of the Administrative Code, CPMC shall be deemed to have fulfilled its obligations under that Chapter with respect to the Near-Term Projects.

The sole remedies and enforcement process for violation of the requirements of Sections A and C of this Agreement are as provided in Section 83.12 of the Administrative Code. As stated in Section 83.12(f) of the Administrative Code, if CPMC fulfills its obligations as set forth in Chapter 83, it shall not be held responsible for the failure of a Contractor or tenant to comply with the requirements of Chapter 83. Notwithstanding anything to the contrary in the Development Agreement, the sole remedy for violation of Section B shall be specific performance, without the limits with respect thereto in Section 9.4.1 of the Development Agreement. The remedies and enforcement processes for violation of the requirements of Section D shall be as set forth in the Development Agreement.

F. TERM

This Agreement shall take effect on the Effective Date of the Development Agreement (the "Effective Date") and shall continue in full force and effect for the term of the Development Agreement; provided, however, (i) CPMC's obligations under Sections A, B and D of this Agreement shall survive the termination or expiration of this Agreement during any construction period for the Workforce Projects as and to the extent set forth in Section 10.4 of the Development Agreement, and (ii) the obligations set forth in Section C herein shall be limited to a term of five (5) years from the Effective Date, subject to extension as provided in Section C.3. Obligations that apply to a construction-related Contract or Phase shall cease once the respective Contract or Phase is complete.

G. NOTICE

All notices to be given under this Agreement shall be in writing and sent by: certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail, a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to FSHA:	First Source Hiring Director OEWD, 50 Van Ness Avenue San Francisco, CA 94102
If to CityBuild:	CityBuild Compliance Officer 50 Van Ness Avenue San Francisco, CA 94102
If to HCA:	Program Manager, Sector Academies OEWD, 50 Van Ness Avenue San Francisco, CA 94102
If to CPMC:	California Pacific Medical Center 2351 Clay Street, 7th Floor San Francisco, CA 94115 Attn: Grant Davies

a. Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in San Francisco, California are authorized to close.

b. Notwithstanding the forgoing, any Job Notification or any other reports required of Contractor under this Agreement (collectively, "Contractor Reports") shall be delivered to the address of FSHA pursuant to this Section via first class mail, postage paid or via email, and such Contractor Reports shall be deemed delivered two (2) business days after deposit in the mail, or upon transmission via email, in accordance with this Subsection; provided, however, that any notice of default under this Agreement must be given in writing, and (a) personally delivered, (b) deposited with a commercially recognized national courier service, or (c) sent by registered or certified mail, postage prepaid.

c. Upon execution of a Contract, the executing Contractor shall provide the FSHA, CityBuild and/or HCA as applicable with its notice address for notices delivered pursuant to this Agreement.

H. ENTIRE AGREEMENT

This Agreement and the Development Agreement contain the entire agreement between the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

I. SEVERABILITY

If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

J. COUNTERPARTS

This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

K. SUCCESSORS

This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising CPMC, their obligations shall be joint and several.

L. HEADINGS

Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions

M. GOVERNING LAW

This Agreement shall be governed and construed by the laws of the State of California.

N. RELATIONSHIP OF PARTIES

It is specifically understood and agreed by the parties that the development of the Workforce Projects is a private development. Nothing contained in this Agreement shall be deemed or construed, either by the parties hereto or by any third party, to create the relationship of principal and agent or create any partnership, joint venture or other association between CPMC and the City and County of San Francisco. This Agreement and its terms shall not operate or be construed as a "Contract" between CPMC and the City and County of San Francisco within the meaning of Chapter 83 of the San Francisco Administrative Code, nor shall this Agreement or its terms operate or be construed to make CPMC a "Contractor" within the meaning of Chapter 83 of the San Francisco Administrative Code.

O. NO OBLIGATIONS TO THIRD PARTY

This Agreement is not intended and shall not be construed to create any third party beneficiary rights in any person or entity that is not a party hereto, and no action to enforce the terms of this Agreement may be brought against either party by any person or entity that is not a party hereto.

P. BOARD AUTHORIZATION AND APPROPRIATION

By approving the Agreement, the Board of Supervisors authorizes the Controller and OEWD to accept the funds paid by CPMC as set forth in this Agreement, to maintain a separate, interest-bearing account for the funds paid by CPMC under this Agreement, and to appropriate and use the funds for OEWD's workforce training programs. Any interest earned on the account created under the terms of this Agreement shall remain in the designated account or subaccount for this use and shall not be transferred to the City's General Fund.

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

City and County of San Francisco, a municipal corporation, acting by and through FSHA

By: _____

Its: _____

Date: _____

CPMC:

Sutter West Bay Hospitals, a California corporation, doing business as California Pacific Medical Center

By: _____

Its: _____

Date: _____

Attachment 1

SAN FRANCISCO
Office of Economic and Workforce Development

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
CITYBUILD PROGRAM

FIRST SOURCE HIRING PROGRAM
EXHIBIT B - CITYBUILD
CONSTRUCTION CONTRACTS

FORM 1: CITYBUILD WORKFORCE PROJECTION FORM

All Prime Contractors and Subcontractors with contracts in excess of $500,000 must complete the *CityBuild Workforce Projection* (Form 1) within thirty (30) days of award of contract. It is the Prime Contractor's responsibility to ensure CityBuild receives completed Form 1 's from all subcontractors in the specified time and keep a record of these Forms in a compliance binder for evaluation.

Once all Form 1's have been submitted, all contractors are required to attend a preconstruction meeting convened by CityBuild staff to discuss the hiring goals for this project.

- *For Construction Contracts: Use this form to indicate the TOTAL estimated number of Journey Level Positions and Entry Level/Apprentice Position that will be needed to perform the work.*
- *For Non-Construction Contracts: Use this form to indicate all entry-level positions that will be needed to perform the work.*
- *If company is on multiple projects, please submit one Workforce Projection per project.*

Contractor Name: _____

Project Name _____ Main Contact: _____

City PM: _____ Contact Number: _____

Labor Trade, Position, or Title	Journey or Apprentice / Entry-Level (J/A)	Estimated Number of Position(s) at Peak of Work	Est. Start Date	Est. End Date	Est. Total Number of Hours To Complete Work	Union?
	J ☐ A ☐					Yes ☐ No ☐
	J ☐ A ☐					Yes ☐ No ☐
	J ☐ A ☐					Yes ☐ No ☐
	J ☐ A ☐					Yes ☐ No ☐
	J ☐ A ☐					Yes ☐ No ☐
	J ☐ A ☐					Yes ☐ No ☐

**Continue on separate sheet, if necessary. For assistance or questions in completing this form, contact the CityBuild Program of the Department of Economic and Workforce Development, (415) 581-2303.*

_____ _____
Successful Bidder/Subcontractor's Name Street Address

_____ _____ _____ _____ _____
Name of Signer Title City Zip Email

Signature of Authorized Representative	Date	Office Telephone	Cell Phone	Fax

PLEASE FAX COMPLETED FORM ATTN: CITYBUILD AT (415) 581-2368 OR
EMAIL: RONNIE.RHOE@SFGOV.ORG
WEBSITE: HTTP://WWW.OEWD.ORG/CITYBUILD.ASPX
MAIN LINE: (415) 581-2335

Attachment 2

NON-CONSTRUCTION FIRST SOURCE EMPLOYER'S PROJECTION OF ENTRY LEVEL POSITIONS

By signing this form, employers agree to participate in the San Francisco Workforce Development System established by the City and County of San Francisco, and comply with the provisions of the First Source Hiring Program pursuant to Chapter 83 of the San Francisco Administrative Code.
As an indication of good faith efforts to comply with First Source, the Employer must fill out this form at commencement of contract/tax year to indicate:

- For the Tenant/Sub-tenant, the number of **Entry Level Positions** in the company that are currently filled and those that are currently available.
- For the successful Developer, Contractor, or Subcontractor, **Entry Level Positions** that are currently filled and those that will be available during construction work.
- If positions listed are subject to collective bargaining agreements.

Note: If an Entry Level Position becomes available during the term of the lease and/or contract, Employer must notify the First Source Hiring Administration. For information regarding First Source requirements contact: Erik Ward (415-581-2335)

Entry Level Position *means a non-managerial position that requires either no education above a high school diploma or certified equivalency, or less than two (2) years of training or specific preparation. Apprenticeship positions should be included.*

Type of Employer (check one): ☐ **Tenant** ☐ **Subtenant** ☐ **Developer** ☐ **Biotech Payroll Tax Exclusion applicant** ☐ **Contractor** ☐ **Subcontractor**

Identify Project or Construction Project (if applicable):
Name of Employer:
Street Address:
City:
Telephone: Fax:

City Department (if Contract or Lease):
Contact Person:
State: Zip:
Email:

Signature of authorized employer representative

Date

Entry-Level Position Title	Number Currently Filled	Number Currently Available	Number Projected to Become Available in the next 12 Months	Estimated Date of Next Available Position	Subject to Collective Bargaining? (Yes/No)

Please fax, email, or mail this form SIGNED to:

(415) 581-2317 erik.ward@sfgov.org

Attn: Erik Ward
Business Services Manager
OEWD
50 Van Ness Avenue

San Francisco, CA 94102

FIRST SOURCE HIRING
CITY & COUNTY OF SAN FRANCISCO

SAN FRANCISCO
Office of Economic and Workforce Development

EXHIBIT F

Community Healthcare Program

CPMC's Community Healthcare Program includes a range of contributions and other commitments for: (1) health care for vulnerable populations; (2) community healthcare clinics; (3) skilled nursing facility[1] ("**SNF**") beds; (4) sub-acute care services; (5) construction of the (new 80-bed) St. Luke's Hospital; (6) operation of the St. Luke's Hospital; (7) services at the St. Luke's Hospital and Campus; (8) construction of a new St. Luke's medical office building; (9) integration of St. Luke's medical staff and patient quality outcomes; (10) participation in community benefits partnerships; (11) service agreement with Chinese Hospital; (12) culturally and linguistically appropriate services, and (13) City Health Services System. All initially capitalized terms have the meaning given in the Definition section of the Agreement unless otherwise defined in this Exhibit F.

Subject to the provisions of this Exhibit F and the Agreement, CPMC will: (a) continuously operate St. Luke's Hospital for twenty (20) years from its Opening; and (b) from the earlier of the commencement dates specified in the applicable sections below or, if applicable, upon CPMC's notice to the City of an earlier actual commencement (which commencement will occur on the date of CPMC's notice to the City, but in no event earlier than the Effective Date), continuously: (i) perform the obligations in Sections 7(b) and 7(c) for twenty (20) years; and (ii) perform all other obligations in this Exhibit F for ten (10) years.

1. Health Care for Vulnerable Populations.

a. Baseline Commitment. CPMC shall provide Eighty Six Million Dollars ($86,000,000) (the "**Baseline Commitment**") in Health Care Services to Vulnerable Populations annually each fiscal year[2], commencing on the date the Approvals are Finally Granted. The amount of the Baseline Commitment for any partial year during the first fiscal year and the last fiscal year shall be prorated on a per calendar day basis. The Baseline Commitment will be annually increased, each fiscal year, based upon the annual Medical Rate of Inflation. Notwithstanding the foregoing, the Baseline Commitment shall not exceed forty percent (40%) of CPMC EBITDA (as defined in Section 1(c) of this Exhibit F) in any fiscal year (the "**Baseline Commitment Cap**"), except as may be

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[1] Skilled nursing facility is defined in Health & Safety Code Section 1250(c), and the definition is incorporated herein.

[2] All references in this Exhibit F to "fiscal years" shall mean CPMC fiscal years, i.e., January 1 through December 31, unless subsequently modified by CPMC throughout its network. No change in fiscal year shall shorten or lengthen any of CPMC's obligations under this Exhibit F, and the parties will make the appropriate adjustments in reporting as needed to maintain the existing obligations as described in this Exhibit F in accordance with generally accepted accounting principles.

supplemented by the Backstop Commitment (as defined in Section 1(b) of this Exhibit F). The Backstop Commitment and CPMC's costs[3] relating to the New Medi-Cal Beneficiaries Commitment (defined in Section 2 below) and the Innovation Fund (defined in Section 3 below) shall not be included in or applied against the Baseline Commitment.

b. Baseline Commitment Carryover. The Baseline Commitment will be deemed satisfied for a particular fiscal year if the Excess Amount from the immediately preceding or the immediately following fiscal year equals or exceeds the Baseline Amount, as set forth in this Section.

The "**Baseline Amount**" means the amount by which the Baseline Commitment exceeds the costs incurred by CPMC in providing Health Care Services to Vulnerable Populations in a particular fiscal year.

The "**Excess Amount**" means an amount by which the costs incurred by CPMC in providing Health Care Services to Vulnerable Populations in a particular fiscal year exceed the Baseline Commitment, provided that (i) CPMC costs for fiscal years before the start of the Baseline Commitment and after the end of Baseline Commitment will not be included for purposes of determining the Excess Amount, (ii) any Excess Amount used to meet the Baseline Commitment requirement for a previous year cannot then later be used as part of the Excess Amount for a subsequent fiscal year, (iii) only twenty-five percent of the costs above $8 million shall be counted in any fiscal year for purposes of determining the Excess Amount, and (iv) in no event will the Excess Amount for a fiscal year exceed ten percent of the then-applicable Baseline Commitment.

If CPMC fails to satisfy the Baseline Commitment in a fiscal year, then CPMC may apply the Excess Amount from the fiscal year immediately before or immediately after that fiscal year in order to satisfy the Baseline Commitment. If the applied Excess Amount equals or exceeds the Baseline Amount as described above, then CPMC shall be deemed to have satisfied the Baseline Commitment for that fiscal year.

c. Definitions. As used herein, "**Health Care Services to Vulnerable Populations**" means charity care and unreimbursed costs to CPMC of providing services to the uninsured, underinsured, and those vulnerable populations eligible for Medi-Cal, California Children's Services Program, or county indigent programs, all as currently described in Health and Safety Code ("**H&SC**") Section 127345(c)(1) but excluding Medicare shortfalls, and to vulnerable populations as currently

[3] All references to CPMC's "costs" in this Exhibit F shall mean costs incurred by CPMC or its Affiliates in performing the defined obligation that are not paid for or reimbursed to CPMC or its Affiliates. References to CPMC Affiliates for purposes of this Exhibit F exclude Sutter West Bay Medical Foundation, dba Sutter Pacific Medical Foundation.

defined in H&SC Section 127345(h); unreimbursed costs of providing services resulting from continued participation in Healthy San Francisco; and also the unreimbursed costs of services provided to vulnerable populations through community-oriented wellness and health promotion, prevention services (including, but not limited to, health screening, immunizations, school examinations, disease counseling and education), sponsorship of free food, shelter, and clothing to the homeless, and outreach clinics in socio-economically depressed areas, as currently described in H&SC Section 127340(d)(1), (2), (9) and (10), respectively.

As used herein, "**Medical Rate of Inflation**" means the percentage change in the annual average for Medical Care Services ("**MCS**") as reported by the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) —U.S. City Average (12-month percentage change - not seasonally adjusted) (the "**Index**"). As identified in the Index, MCS includes professional services, hospital and related services, and health insurance, and excludes Medical Care Commodities, the other major component of medical care, including medical drugs, medical equipment and supplies.

For any increase in the Agreement that is based on the Medical Rate of Inflation, the Index published in February of the fiscal year in question (the "**Adjustment Index**") shall be compared with the Index published most immediately preceding the Effective Date ("**Beginning Index**"). The adjusted amount payable shall be determined by multiplying the amount payable by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Beginning Index. If the Index is changed so that the base year differs from that used for the Beginning Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

As used herein, "**CPMC EBITDA**" means Earnings plus the sum of Interest, Taxes, Depreciation and Amortization (each as defined below) from the Project Sites, Cathedral Hill LLC, St. Luke's Health Care Center, CPMC Research Institute, California Pacific Advanced Imaging, San Francisco Endoscopy Center, Presidio Surgery Center, California Pacific Medical Center Foundation and all CPMC Affiliates operating within the boundaries of San Francisco. The Parties agree that changes over time in CPMC's corporate structure shall not affect the calculation of CPMC EBITDA which shall continue to be based on all CPMC and its Affiliates' operations within San Francisco, and shall be calculated in accordance with generally accepted accounting principles in effect from time to time ("**GAAP**").

As used herein, "**Earnings**" means Total Operating Revenue less Total Operating Expense as same are defined in Section 7(a) of this Exhibit F.

As used herein, "**Interest**" means the expenses incurred on borrows for working capital purposes, such as short-term notes payable; and all long-term debt, such as mortgage notes and bonds.

As used herein, "**Taxes**" means an involuntary fee levied on corporations (unless exempted) that is enforced by a level of government in order to finance government activities.

As used herein, "**Depreciation**" means the diminution of service yield from a fixed asset or fixed-asset group that cannot or will not be restored by repairs or by replacement of parts. The expense recorded spreads the cost of a capital asset over its estimated useful life as determined, where applicable, in accordance with guidelines of the American Hospital Association on a straight line basis.

As used herein, "**Amortization**" means the expenses related to amortization of an intangible asset, such as patents or goodwill.

d. Backstop Commitment. CPMC shall provide additional services, costing up to Twenty Million Dollars ($20,000,000) in the aggregate (the "**Backstop Commitment**"), to the extent (i) the Baseline Commitment is otherwise limited by the Baseline Commitment Cap, to continue to meet the Baseline Commitment, and (ii) to continue to meet the New Medi-Cal Beneficiaries Commitment (as defined in Section 2(b) below) to the extent otherwise limited due to the "**Maximum Medi-Cal Shortfall**" (as defined in Section 2(f)). CPMC shall use the Backstop Commitment to the extent needed to meet the Baseline Commitment or the New Medi-Cal Beneficiaries Commitment until the Backstop Commitment is exhausted.

e. St. Luke's Health Care Center. As of the date the Approvals are Finally Granted, CPMC shall operate and provide financial and other support to the St. Luke's Health Care Center in a manner and amount generally consistent with CPMC's levels of support for the St. Luke's Health Care Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 14,670 patients annually). The St. Luke's Health Care Center provides out-patient OB-GYN, internal medicine and pediatric services to patients, many of whom are low income and are publicly insured by Medi-Cal or Medicare.

f. Bayview Child Health Center. As of the date the Approvals are Finally Granted, CPMC shall provide financial and other operational support for comprehensive primary pediatric care to residents of the Bayview area through the Bayview Child Health Center in a manner and amount generally consistent with CPMC's level of support for the Bayview Child Health Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 950 patients annually). The Bayview Child Health

Center provides comprehensive primary pediatric care to residences of the Bayview area, many of whom are low income, and are publicly insured by Medi-Cal or Medicare.

g. Program Adjustments. The costs of the support provided for the programs and services described in subsections (e) and (f) above may be included by CPMC in the calculation of the costs applied to meet the Baseline Commitment. CPMC may, in the exercise of its reasonable discretion and after consultation with the Director of the City's Department of Public Health (the "**DPH Director**"), adjust, modify, reduce or eliminate those programs, services and service lines or sell, lease or transfer programs, services or service lines to meet evolving community needs, operational cost-effectiveness or quality standards, including, without limitation, by providing them through another operating or service agreement or arrangement, provided that (i) if CPMC materially reduces or eliminates a program, service or service line, it will provide alternative programs, services or service lines of similar value and providing similar levels of service in the affected neighborhood, and (ii) the level of Health Care Services to Vulnerable Populations described in subsections (e) and (f) above is otherwise provided and maintained under this Agreement.

No subsequent amendment to the definitions in the H&SC Sections cited above in connection with the definition of Health Care Services to Vulnerable Populations, shall modify said definitions for purposes of this Agreement. If a change in Laws, or a change in the number of persons qualifying for Health Care Services to Vulnerable Populations, or the number of persons eligible for Medi-Cal managed care, substantially interfere with, preclude or prevent CPMC from complying with one or more of its obligations hereunder, including, without limitation, with respect to the Baseline Commitment or the New Medi-Cal Beneficiaries Commitment (set forth in Section 2 below), then the parties will meet and confer in good faith to modify the provisions of this Exhibit F, including the definitions or methodology of calculation, as necessary to reflect and maintain the level of healthcare services anticipated to be provided herein.

2. New Medi-Cal Beneficiaries Commitment.

a. San Francisco Health Plan – Medi-Cal Managed Care Program. CPMC shall continue to participate with a standard services agreement in the San Francisco Health Plan Medi-Cal managed care program ("**Program**") in accordance with the provisions below.

b. New Medi-Cal Beneficiaries Commitment. Starting on the Effective Date, and annually thereafter, CPMC shall be open to and shall accept responsibility for providing hospital services (including inpatient and outpatient healthcare services – and associated inpatient and outpatient ancillary and diagnostic services) for no less than ten thousand (10,000) additional Medi-Cal managed care beneficiaries, over the number of such beneficiaries assigned to limited provider networks that

designate CPMC's California, Pacific or Davies Campuses as their primary hospital as of January 1, 2012, as set forth in and subject to the conditions in this Section (the "**New Medi-Cal Beneficiaries Commitment**", and each such new Medi-Cal managed care beneficiary, a "**New Enrollee**"). These New Enrollees shall: (i) not be identified as dually eligible for Medi-Cal and Medicare, and (ii) shall be enrolled in the San Francisco Health Plan, a licensed community health plan, or other plan as described in Section 2(c) below, and (iii) shall be assigned to a limited provider network that designates CPMC's California, Pacific and Davies hospitals and, upon Opening, the Cathedral Hill Hospital, as its primary hospitals. Thus, CPMC shall continue to participate in existing programs such that New Enrollees shall be provided service at their assigned hospital(s), except where medical conditions or procedures indicate that care would be more appropriately provided at another facility or in cases of emergency. With the approximately 14,850 existing enrollees as of January 1, 2012, and subject to the schedule and conditions set forth in this Section 2, CPMC shall be open to and accept responsibility for providing hospital services to a cumulative total of 24,850 Medi-Cal managed care beneficiaries to satisfy the New Medi-Cal Beneficiaries Commitment.

c. New Enrollees. So long as CPMC is open to accepting all of the New Enrollees that are assigned to the provider network that designates CPMC's California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s), then CPMC shall not be in Default if CPMC fails to satisfy the New Medi-Cal Beneficiaries Commitment because an insufficient number of New Enrollees have been assigned to the provider network that designates California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s). In the event of an insufficiency of New Enrollees, CPMC shall continue to remain open to accepting New Enrollees as described above.

d. Phasing; 2-Year Rolling Average. The assignment of New Enrollees will occur over time as follows: 1,500 New Enrollees on or before one year after the Effective Date, and an additional 8,500 New Enrollees on or before December 31, 2015. CPMC shall maintain the New Medi-Cal Beneficiaries Commitment for such New Enrollees through the date that is ten (10) years following the Effective Date. Of the total New Enrollees, CPMC shall accept approximately 1,500 new eligible Seniors and Persons with Disabilities ("**SPDs**") over the number of SPDs assigned to the medical group that designates CPMC's California, Pacific or Davies Campus as their primary hospital as of January 1, 2012 (i.e., 1,268).

In accordance with the policies and practices of the San Francisco Health Plan, CPMC shall be available to provide hospital services to New Enrollees initially primarily at the Pacific, California and Davies Campuses, and following the Opening of the Cathedral Hill Hospital, primarily at the Cathedral Hill Hospital and Davies Hospital, except where medical conditions or procedures indicate otherwise or in cases of emergency.

In all events, the New Medi-Cal Beneficiaries Commitment shall be deemed satisfied in a fiscal year if the number of New Enrollees as of the last day of that fiscal year, together with the number of New Enrollees as of the last day of the previous fiscal year or following fiscal year, equals or exceeds the number of New Enrollees required at that time to meet the New Medi-Cal Beneficiaries Commitment for those two (2) fiscal years combined (i.e., the average number of New Enrollees for the two (2) year consecutive period equals or exceeds the New Medi-Cal Beneficiaries Commitment); provided that (i) the number of Medi-Cal Beneficiaries before January 1, 2012 will not be included, and (ii) the number of excess New Enrollees previously used to meet the requirement in a previous year as provided above cannot be used again to meet the requirement in a subsequent year.

e. San Francisco Health Plan and Other Plans. The San Francisco Health Plan shall pay and CPMC agrees to accept the prevailing rate uniformly paid by the San Francisco Health Plan to other hospitals participating in Medi-Cal managed care. CPMC shall be subject to the same prevailing payment rates paid to other San Francisco Health Plan contracted hospitals, and the same rules, policies and procedures for the assignment and care of enrollees/patients as other participating San Francisco Health Plan hospitals. CPMC also agrees that San Francisco Health Plan may release applicable aggregate enrollment information to the City's Department of Public Health but only to the extent necessary to verify the New Medi-Cal Beneficiaries Commitment. CPMC's costs relative to the New Medi-Cal Beneficiaries Commitment and the amount of the Maximum Medi-Cal Shortfall (described below) are in addition to, and shall not be counted toward satisfaction of, the Baseline Commitment.

If Anthem Blue Cross or any other health plan participating in Medi-Cal managed care in San Francisco implements a business model that assigns Medi-Cal managed care enrollees to a limited provider network that includes a primary care provider and its partner hospital or a capitated delegated model, or if the San Francisco Health Plan discontinues as a health plan participating in the Medi-Cal managed care program for any reason, then CPMC may contract with Anthem Blue Cross or with any other health plan participating in the Medi-Cal managed care program (or with the California Department of Health Care Services directly) to satisfy the New Medi-Cal Beneficiaries Commitment. The number of New Enrollees through any such contract shall count toward satisfaction of the New Medi-Cal Beneficiaries Commitment, and CPMC's costs of services to such New Enrollees shall be included in the Maximum Medi-Cal Shortfall.

In order to facilitate the Parties' monitoring of obligations under this Section 2, CPMC agrees that San Francisco Health Plan (or other health plans participating in Medi-Cal managed care) may release applicable aggregate enrollment, cost and reimbursement information to the DPH Director but only as to the extent necessary to verify the New Medi-Cal Beneficiaries Commitment.

Notwithstanding the foregoing, CPMC's obligation to achieve the New Medi-Cal Beneficiaries Commitment (and its component targets described above) is subject to the conditions in Subsections (f) and (g), below:

f. Maximum Medi-Cal Shortfall. To satisfy the New-Medi-Cal Beneficiaries Commitment, CPMC shall not be required to incur costs of more than Nine Million Five Hundred Thousand Dollars ($9,500,000) per fiscal year, increased each fiscal year by the lower of the Medical Rate of Inflation or six percent (6%) (the "**Maximum Medi-Cal Shortfall**"). The Maximum Medi-Cal Shortfall is the difference on a yearly basis between: (i) the costs incurred by CPMC in satisfying the New Medi-Cal Beneficiaries Commitment by providing hospital services (including inpatient and outpatient services and associated inpatient and outpatient ancillary and diagnostic services) to New Enrollees; and (ii) the revenue received by CPMC from any source for providing such services to the New Enrollees for that fiscal year. For purposes of this Section, CPMC's "**costs**" shall mean the reasonable cost of providing the applicable services as determined in accordance with reasonable cost finding principles consistently applied. These costs may in part be derived by (1) adjusting hospital charges by the Cost-to-Charge Ratio (i.e., Total Operating Expenses less Other Operating Revenue, divided by Total Gross Patient Revenue) as determined by and consistent with OSHPD reporting, and (2) adjusting pro rata CPMC's total costs for the Cumulative Medi-Cal Managed Care Beneficiaries based on the percentage of Existing Enrollees versus New Enrollees. For example, for the adjustment in clause (2) above, if CPMC's total costs for the Cumulative Medi-Cal Managed Care Beneficiaries is Six Million Dollars, and the Cumulative Medi-Cal Managed Care Beneficiaries consists of one-third Existing Enrollees and two-thirds New Enrollees, then two-thirds of the CPMC's costs for the Cumulative Medi-Cal Managed Care Beneficiaries shall be CPMC's costs for the New Enrollees when determining whether the Maximum Medi-Cal Shortfall has been exceeded.

If CPMC's fiscal year costs in satisfying the New Medi-Cal Beneficiaries Commitment exceeds the Maximum Medi-Cal Shortfall, then, except as supplemented by the Backstop Commitment, the number of New Enrollees CPMC is obligated to accept and care for under this Agreement shall be prospectively reduced as required to cause CPMC to not exceed the Maximum Medi-Cal Shortfall. Any such reduction shall occur through natural attrition and/or by closing to new members in coordination with San Francisco Health Plan. In no event shall CPMC drop or terminate service to the New Enrollees or other Medi-Cal managed care beneficiaries without such coordination with San Francisco Health Plan. As soon as CPMC becomes aware that CPMC's costs have exceeded or will likely exceed the Maximum Medi-Cal Shortfall, CPMC shall notify the DPH Director and provide reasonable evidence of its costs relative to the Maximum Medi-Cal Shortfall. The Parties agree to meet and confer in good faith regarding the New Medi-Cal Beneficiaries Commitment, the Maximum Medi-Cal Shortfall and the possibility of cost reductions and/or lowering the

number of New Enrollees that CPMC can maintain within the Maximum Medi-Cal Shortfall.

g. MSO Providers. CPMC shall contract with at least two (2) Management Services Organizations (or its equivalent, such as an independent physician association or, in the event San Francisco Health Plan changes its business model to provide MSO services, the San Francisco Health Plan) participating in the Medi-Cal managed care program (each, an "**MSO**") through the Program. CPMC shall contract with an existing MSO to care for 8,500 New Enrollees, and, when available, with a new MSO where the primary care provider base is located in the Tenderloin to care for 1,500 New Enrollees. CPMC and the City acknowledge that there is currently no eligible MSO with a primary care provider base located in the Tenderloin, and nothing in this Agreement requires CPMC to establish or participate in establishing, maintaining or funding an MSO in the Tenderloin or elsewhere. If there continues to be no MSO with its provider base located in the Tenderloin, then CPMC shall, following consultation with the DPH Director, contract with a new MSO reasonably acceptable to the DPH Director with a primary care provider base that is located outside of the Tenderloin but that serves Tenderloin residents. In the event there is no such new MSO serving Tenderloin residents, then CPMC shall meet its New Medi-Cal Beneficiaries Commitment by contracting with an existing MSO, if available, to the extent the MSO has the capacity to accept New Enrollees.

3. Innovation Fund.

a. Administration.

i. Innovation Fund Agreement. CPMC shall enter into the Innovation Fund Grant Agreement (the "**Innovation Fund Agreement**") substantially in the form attached hereto as Attachment 1 to this Exhibit F, and City shall agree to and accept same as indicated, with only such changes as are approved by the DPH Director, the City Attorney and the Innovation Fund Foundation that do not decrease CPMC's payment obligations or otherwise materially reduce the benefits provided under the Innovation Fund Agreement as determined by the DPH Director. The Innovation Fund Agreement shall include and implement the provisions applicable to the Innovation Fund Foundation as set forth in this Section 3. CPMC shall deliver to the City the fully executed Innovation Fund Agreement promptly following execution and delivery by the parties, but in no event later than the date of the first required payment to the Innovation Fund under this Section. All actions, authorizations and decisions of City under this Section 3 shall be made by the DPH Director.

ii. Innovation Fund Foundation. The Parties have mutually selected the San Francisco Foundation to be the party to hold and administer the Innovation Funds in accordance with the Innovation Fund Agreement (the

"**Innovation Fund Foundation**"). If, for any reason, the San Francisco Foundation is unable to execute the Innovation Fund Agreement or, if at any time during the Term, the Innovation Fund Foundation is unable to perform its obligations under the Innovation Fund Agreement (including any termination of the San Francisco Foundation), the Parties shall by mutual agreement, or if they are unable to agree after 60 days, then City shall have the authority to select a replacement entity to serve as the Innovation Fund Foundation and CPMC and City shall execute and deliver a replacement Innovation Fund Agreement with the replacement Innovation Fund Foundation, substantially in the form of the Innovation Fund Agreement attached hereto. The Parties shall cooperate to cause all existing undisbursed funds, and all rights and obligations held by the San Francisco Foundation under the Innovation Fund Agreement, to be transferred to the replacement Innovation Fund Foundation.

iii. Committee of Fund Advisors. The Parties shall create a committee of fund advisors (the "**Committee**") to advise the Innovation Fund Foundation in accordance with the terms of the Innovation Fund Agreement. The City and CPMC and the Innovation Fund Foundation shall each appoint one member of the Committee (and any replacement of that member shall be made by the appointing entity; and upon any replacement of the Innovation Fund Foundation, its appointee member shall be replaced by the new Innovation Fund Foundation. The Committee shall, among other things, and without liability of any kind or character to any person on account of such advice, provide to the Innovation Fund Foundation Innovation Fund disbursement advice, including the rate, schedule and allocation of disbursements and the terms, goals and purposes thereof. In connection therewith, the Committee shall strive to reach a consensus on Innovation Fund disbursement schedule and allocation advice amongst the members of the Committee and with the Innovation Fund Foundation. If a consensus is not reached, the Committee will nevertheless provide a single report to the Innovation Fund Foundation conveying the view of each of the Committee members, and the Innovation Fund Foundation shall have the authority to make disbursement decisions. The Innovation Fund Foundation shall exercise final control of the investment of the Innovation Fund pursuant to its investment policy with respect to designated and endowed fund. The Parties' representatives on the Committee shall carry out their responsibilities in accordance with this Agreement and the Innovation Fund Agreement.

b. The Innovation Fund. CPMC shall pay to the Innovation Fund Foundation Twenty Million Dollars ($20,000,000) (the "**Innovation Fund**") as follows: (i) a first installment of Three Million Five Hundred Thousand Dollars ($3,500,000) within thirty (30) days of the Effective Date, and (ii) a second installment of

Sixteen Million Five Hundred Thousand Dollars ($16,500,000) within thirty (30) days of the date the Approvals are Finally Granted. The corpus of the Innovation Fund shall be managed as provided in the Innovation Fund Agreement and this Agreement. CPMC's payments to the Innovation Fund and distributions from the Innovation Fund shall not be included in or considered a part of the Baseline Commitment.

If, for any reason, the Parties are dissatisfied with the performance of the Innovation Fund Foundation (or any successor Innovation Fund Foundation), the Parties agree to cooperate in investigating and, if feasible and appropriate, transferring the Innovation Fund Balance to another Innovation Fund Foundation, to be held pursuant to a replacement Innovation Fund Agreement substantially in the form attached hereto as Attachment A and approved by the DPH Director after consultation with the City Attorney.

c. Distribution of Innovation Fund. The Innovation Fund Foundation shall annually distribute a portion of the principal balance of the Innovation Fund to third-party recipients under a grant application process approved by CPMC and the DPH Director. The Innovation Fund Foundation shall apply the Innovation Fund Balance: (i) to enhance the performance and improve the sustainability of the City's community based service providers and in a manner that is consistent with the other criteria described in this Section 3; and (ii) to pay for its reasonable administrative costs associated with the Innovation Fund, including costs associated with the creation of the Innovation Fund. Prior to any disbursements or commitments for distribution of the Innovation Fund, the Innovation Fund Foundation shall consult with, obtain disbursement advice from the Committee and, if possible, obtain a consensus for Distributions with the Committee, as provided in Section 3(a)(iii) above, provided that final determinations shall be made by the Innovation Fund Foundation. The City and CPMC shall have no right to challenge the appropriateness or the amount of any distribution or expenditure, so long as it is distributed in accordance with the procedures in this Section and used for and consistent with the purposes identified herein. The Innovation Fund shall condition grant distributions as necessary to ensure accountability for use of funds, and to monitor effectiveness.

The Innovation Fund Agreement shall provide that the Innovation Fund Foundation shall maintain records as part of its accounting system to account for all distributions and expenses for a period of not less than four (4) years following the date of such distribution or other expenditures, and annually make such records available to the City or CPMC prior to the Annual Review Date, and upon request.

d. Rate and Schedule of Disbursements. The rate and schedule of disbursements shall be determined by the Innovation Fund Foundation after consultation with and advice from the Committee so as to be responsive to achieving the identified

program goals as determined by the Committee from time-to-time. The first disbursement shall be made within one (1) year following the first installment payment of the Innovation Fund to the Innovation Fund Foundation.

e. Initial Program Goals. Initial program goals and Innovation Fund allocation guidelines are as follows:

i. Support and improve the capacity of community clinics to increase their participation in managed Medi-Cal programs, including, but not exclusive to, the creation of a new MSO or expansion of current MSOs, development of care management capabilities, implementation and integration of evidence-based chronic disease management and team-based care models, investment in electronic medical records, participation in the San Francisco Health Information Exchange and developing organizational partnerships between CPMC and existing community clinics, and support for provision of specialty medical services (approximately 75%);

In implementation of the program goals related to MSOs, the Committee of Fund Advisors will consult with third-party subject matter experts in health care delivery in a managed care environment, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals; and

ii. Provide infrastructure support for community-based health, human service and behavioral health service providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including providers of community-based alternatives to inpatient psychiatric care that allows patients to receive services in the most appropriate and least restrictive setting (approximately 25%).

These initial program goals and guidelines may be modified with approval of the DPH Director and CPMC and in accordance with the Innovation Fund Agreement.

f. As used herein, "**Innovation Fund Balance**" means the amount that is equal to the Innovation Fund adjusted to reflect: (i) increases by investment earnings; and (ii) decreases by investment losses, disbursements to health care providers and Allowable Costs, as defined in the Innovation Fund Agreement.

4. **Skilled Nursing (SNF) Beds**. Starting on the date the Approvals are Finally Granted, and annually thereafter, CPMC shall maintain capacity for 100 licensed SNF beds for all CPMC patients, as appropriate, and without discrimination among them (the "**SNF Beds Capacity Commitment**"). CPMC anticipates meeting the SNF Beds Capacity Commitment by (a) continuing to provide the 38 licensed SNF beds currently located at

the Davies Campus, and (b) providing at least 62 licensed SNF beds at other on or off campus locations within San Francisco. CPMC may, however, in the exercise of its sole discretion, meet its SNF Beds Capacity Commitment at other locations so long as (i) all SNF beds are located within San Francisco, and (ii) no existing community-based SNF beds (i.e., SNF beds in the City that are not located at CPMC and that are in use) shall be utilized at any time to meet the SNF Beds Capacity Commitment, and therefore any SNF beds that are not in a facility owned by CPMC or its Affiliates must be newly created to be counted for purposes of satisfying the SNF Beds Capacity Commitment.

Notwithstanding the foregoing, and regardless of whether CPMC has available SNF bed capacity, CPMC may discharge a patient to a community based bed if such discharge is clinically-supported or is consistent with a patient preference. The unreimbursed costs associated with SNF beds may be applied by CPMC to satisfy the Baseline Commitment and, to the extent that SNF services are provided to New Enrollees and those SNF services are required under the hospital services agreement between CPMC and the San Francisco Health Plan, the unreimbursed costs may be applied to the Maximum Medi-Cal Shortfall.

CPMC will work with SFDPH, the other San Francisco hospitals, and other interested parties to address City-wide SNF capacity issues, and will be responsible for its mutually agreed upon fair share with other hospitals of any adopted City-wide SNF initiative to address any reduction in SNF capacity that might occur for the 10-year period starting upon expiration of the SNF Beds Capacity Commitment.

5. **Sub-Acute Care Services**. CPMC shall work with SFDPH and other hospital operators in good faith, but without assuming any obligation to expend funds or other resources, to develop specific proposals for providing sub-acute care services in San Francisco, and to present such proposals to the Health Commission by June 30, 2013.

6. **Construction of St. Luke's Hospital**. The Hospital Commitment and Completion of Construction of the St. Luke's Hospital are described in the Agreement.

7. **St. Luke's Campus**.

   a. St. Luke's Hospital. CPMC will continuously, without interruption, operate St. Luke's Hospital as GACH Licensed, 80-bed General Acute Care Hospital with comprehensive emergency medical services (pursuant to sections 70451-70459 of Title 22 of the California Code of Regulations) for a period of twenty (20) years starting on the date that St. Luke's Hospital Opens (the "**St. Luke's Operating Commitment**"); provided, however, CPMC may elect to terminate the St. Luke's Operating Commitment if CPMC's Operating Margin falls below one percent (1%) for two (2) consecutive fiscal years (an "**Operating Margin Failure**") starting on the first full fiscal year after the Opening of St. Luke's Hospital. If CPMC's Operating Margin falls below one percent (1%) in any fiscal year, CPMC shall notify the City of the same. During the following fiscal year, CPMC shall meet and confer in good faith with the DPH Director and other City staff to

consider any proposed adjustment, modification, reduction, elimination, closing, sale, lease or transfer of St. Luke's Hospital services. CPMC shall use commercially reasonable efforts to prevent an Operating Margin Failure. If thereafter an Operating Margin Failure occurs (i.e., CPMC's Operating Margin fell below one percent (1%) for each of such two (2) consecutive fiscal years), then CPMC shall send notice of the same to City, including such information as the City deems reasonably necessary to confirm whether an Operating Margin Failure has occurred, and CPMC shall have the right in the notice to terminate the St. Luke's Operating Commitment, provided such termination shall not become effective until thirty (30) days or more after CPMC's delivery of the notice. Furthermore, if the City disputes whether an Operating Margin Failure has occurred by initiating Arbitration pursuant to and within the time period set forth in Section 9.4.5 of the Agreement, then CPMC shall not terminate the St. Luke's Operating Commitment until the earlier of (1) the date on which the Arbitrator issues an award that provides that an Operating Margin Failure has occurred, or (2) the date that is six (6) months following the date on which CPMC provided notice as set forth above that an Operating Margin Failure occurred. If CPMC terminates the St. Luke's Operating Commitment before the completion of Arbitration and the Arbitrator determines that an Operating Margin Failure did not occur, then CPMC shall be liable for liquidated damages as set forth in Section 9.4.4(b) of the Agreement.

If City initiates Arbitration, CPMC shall deliver to the City and Arbitrator, prior to the conclusion of the Arbitration and issuance of the award, a report from its independent third party auditor (Ernst and Young or successor auditor hired by CPMC as set forth in Section 14(b) below) stating its opinion that the information upon which the Operating Margin calculations are based in connection with a determination of an Operating Margin Failure is fairly stated in all material respects and is in conformance with applicable GAAP.

As used herein, the term "**Operating Margin**" means Total Operating Revenue minus Total Operating Expense divided by Total Operating Revenue from CPMC and CPMC Affiliates operating within the boundaries of the City. Total Operating Revenue and Total Operating Expense shall be calculated in a manner consistent with GAAP.

"**Total Operating Expense**" means total expenses of operations of CPMC and all CPMC Affiliates operating within the boundaries of the City, defined in accordance with GAAP, consistently applied and as reflected in Sutter Health's audited consolidated financial statements. By way of example, such expenses include, without limitation, reasonable payments to the system (i.e., Sutter Health), consistently applied through the system, for overhead and for services provided by the system; such expenses would not include equity or cash transfers or capital contributions to the system.

"**Total Operating Revenue**" means all net revenues received by CPMC and all CPMC Affiliates operating within the boundaries of the City, including contractual allowance, charity and bad debt.

b. Services at St. Luke's Campus During the St. Luke's Operating Commitment.

i. CPMC shall provide the following services on-site at the St. Luke's Campus at all times during the St. Luke's Operating Commitment:

(A) Inpatient services, including cancer, cardiology, endocrinology, respiratory, neurology, gastroenterology, orthopedics, infectious disease, urology, general and vascular surgery, intensive care unit, labor & delivery, gynecology, special care nursery, telemedicine;

(B) Urgent care; and

(C) Outpatient services, including internal medicine, ambulatory surgery, cardiology, diagnostic imaging, gastroenterology, laboratory services, obstetrics, orthopedics, hepatology, neurology, oncology, orthopedics, respiratory therapy, child development, retail pharmacy, lab services.

ii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Community Health at the St. Luke's Campus. This Center of Excellence would build on CPMC's existing HealthFirst Program and annually offer approximately 800 patients from St. Luke's Health Care Center access to a primary care medical home to support self-management of chronic illness. The Center will recruit and train health workers from the community to work in an interdisciplinary care team setting, providing culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F). CPMC shall create a community advisory board to provide input into the operation of the Center.

iii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Senior Health at St. Luke's Campus. This Center of Excellence would be based upon the Hospital Elder Life Program ("**HELP**") and annually provide care to approximately 600 seniors over age 70. HELP is a targeted program of care for hospitalized older adults designed to prevent or decrease the severity of delirium and increase or maintain function, improve hospital care, maximize the patient's independence at discharge, assist the patient with transition from hospital to home, prevent unplanned readmission, and prevent the hazards of hospitalization that sometimes lead to a cascade in decline. The Center will provide culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F).

iv. The unreimbursed cost of services of providing Health Care Services to Vulnerable Populations in connection with the two Centers of Excellence described in Subsections 7(b)(ii) and (b)(iii) above (other than incremental costs for added service, including one-time start-up costs or other administrative costs that are not associated with providing Health Care Services to Vulnerable Populations), shall be included in and applied to the satisfaction of the Baseline Commitment.

v. The obligations in Subsections 7(b)(i)-(iii) above shall start upon the Opening of the St. Luke's Hospital. CPMC may, in the exercise of its sole discretion, provide the services in Subsections 7(b)(i)-(iii), above through contractual or other arrangements with other licensed providers, so long as the services are performed at the St. Luke's Campus. CPMC may, in the exercise of its reasonable discretion, adjust, modify, reduce, close, eliminate, sell, lease or transfer the programs, services or service lines described in this Section 7(b)(i)(A) through (C) to meet evolving community needs, operational cost-effectiveness or quality standards, provided that CPMC shall provide no less than six (6) months notice to City of a proposed material reduction or elimination of a program, service or service line. During this six (6) month period, CPMC and SFDPH shall meet and confer on the proposal and during said period CPMC shall comply with applicable Laws with respect thereto, including but not limited to the applicable requirements of the City's Community Health Care Planning Ordinance (San Francisco Administrative Code, Appendix 17). CPMC may, in the exercise of its reasonable discretion, adjust or modify the programs offered through the two Centers of Excellence described in Sections 7(b)(ii) and (iii) to meet evolving community needs, operational cost-effectiveness or quality standards. Nothing herein shall be deemed limit the ability of CPMC to provide other or additional services.

c. St. Luke's Medical Office Building.

Commencing as of the Opening of the St. Luke's Hospital:

i. CPMC shall submit a proposal for development of the St. Luke's MOB to the Sutter West Bay Board within ninety (90) days after (A) the Monteagle MOB is operating at least ninety percent (90%) occupancy for a one (1) year period; (B) there is demonstrated demand, through formal pre-leasing commitments for at least seventy-five percent (75%) of the proposed seventy two thousand (72,000) rentable gross square feet of the St. Luke's MOB; and (C) operating rooms at St. Luke's Hospital are operating at least eighty percent (80%) capacity for a one (1) year period. A final decision to proceed with construction of the St. Luke's MOB shall be subject to approval by the Sutter West Bay Board (in the exercise of its sole and

absolute discretion) and, if applicable, an agreement with a third party medical building developer and operator, including an acceptable economic structure and financing terms.

ii. If the Sutter West Bay Board decides not to proceed with the construction of the St. Luke's MOB, or fails to act with respect to such decision within six (6) months after its submittal to the Board in accordance with Section 7(c)(i), or if the conditions set forth in Section 7(c)(i) have not been satisfied on or before the date that is four (4) years following the Opening of the St. Luke's Hospital, then the City may request that the Parties meet and confer in good faith regarding the potential for development of the St. Luke's MOB. If, within six (6) months, CPMC has not agreed to Commence Construction of the St. Luke's MOB, then upon notice being delivered by City within sixty (60) days after said six (6) month period (the "**Option Commencement Date**"), a City option shall arise to lease from CPMC the St. Luke's MOB site solely for purposes of City constructing and operating a medical office building, subject to the following terms and conditions:

(A) City and CPMC shall negotiate the terms of the lease in good faith, consistent with the material terms described below, and subject to each Parties' approval (which CPMC shall not unreasonably withhold). The negotiations shall continue for so long as the parties are willing to continue, but in no event less than six (6) months from the Option Commencement Date. If the Parties are unable to reach agreement within the six (6) month period, then they (or either of them) may agree to terminate negotiations or the parties may agree to submit the outstanding lease items to mediation, provided (i) any mediation shall be nonbinding, and (ii) any final lease shall be subject to the review and approval of the Parties, each in their reasonable discretion, and CPMC shall not disapprove the proposed lease based upon items that are consistent with the terms of this Exhibit F. The City may renew negotiations at any point up during the St. Luke's Operating Commitment so long as (i) not less than two (2) years have transpired since the previous negotiations ended, and (ii) CPMC does not intend to construct the St. Luke's MOB on the site. CPMC can notify the City at any time before or during ground lease negotiations that it intends to construct the St. Luke's MOB, and the City will have no ongoing negotiation rights under this Section so long as CPMC is actively pursuing the planning and construction of the St. Luke's MOB.

(B) The ground lease will be for an initial term of fifty-five (55) years with four (4) five-year options to extend the term.

(C) The ground lease will require the City to complete construction plans for the medical office building, obtain all required permits, approvals and authorizations to commence construction, and obtain financing necessary to complete construction, as reasonably agreed upon by the Parties. The ground lease will also require the City to diligently complete construction upon commencement, subject to excusable delay.

(D) The City will comply with all mitigation measures applicable to the construction and operation of the medical office building in accordance with CEQA. CPMC will have reasonable rights to review and approve the design for the medical building for consistency with St. Luke's Campus design and operations.

(E) The ground lease will be at nominal rent, not to exceed $100 per year, and without deduction abatement or offset and absolutely net of all costs and expenses. CPMC will not be required to incur any expense or make any payment with respect to the ground lease or City's use or occupancy of the site, including any improvements. City will be responsible for the management, maintenance, repair, preservation, and operation of the building and any supporting facilities. City shall not be required to demolish the building at the end of the ground lease term so long as it has been maintained in accordance with commercially reasonable standards.

(F) CPMC would have first right of refusal with respect to any proposed transfer of the ground lease to a party, excluding any transfer to an affiliate or resulting from a reorganization.

(G) Insurance, indemnity, default and remedies provisions would be consistent with industry standard provisions for ground leases for medical buildings in the San Francisco Bay Area.

(H) Neither the City nor any tenant or occupant of the building shall use any space within the building for a birthing center, computerized tomography (CT), radiation therapy, MRI or other future imaging modalities, a laboratory (including a pathology laboratory or a clinical laboratory), physical therapy, respiratory therapy, inpatient or outpatient surgeries, or other services that compete with services then-provided by St. Luke's Hospital or elsewhere on the St. Luke's Campus, without the prior written consent of CPMC. Notwithstanding the foregoing if any such use is incidental to and routinely performed as part of a physician's primary medical practice for the physician's patients, the foregoing restrictions shall not apply. The foregoing restrictions shall not apply to any lease of space within the building to CPMC or any

Affiliate of CPMC, or any subtenant or licensee of CPMC or any Affiliate of CPMC. City may lease space within the building for childcare, incidental retail or coffee shop purposes and other uses incidental to a medical office building.

8. **Integration of St. Luke's medical staff and Patient Quality Outcomes**. CPMC shall continue its good faith efforts at the clinical integration of medical staffs at the St. Luke's Campus, with the medical staff at its Pacific Campus, California Campus and Davies Campus (and, upon Completion of the Cathedral Hill Hospital and the Cathedral Hill Campus), and on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC Campuses.

9. **Participation in the Community Benefits Partnership**. CPMC shall continue to actively participate in the "**Community Benefits Partnership**" (an outgrowth of the Building a Healthier San Francisco needs assessment process and the Charity Care Project), of San Francisco private non-profit hospitals, SFDPH, Human Services, community clinics, health plans, non-profit providers and advocacy groups, to prepare a community benefit plan, as defined in Health and Safety Code Section 127355, for submittal to OSHPD. Upon completion, CPMC shall create its own plan to implement the goals of the community benefits plan. The community benefits plan will focus on low-income and underserved communities within the Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, and address primary care, disease prevention, and health promotion programs targeted to the needs of those communities.

10. **Service Agreements with Chinese Hospital**. Through existing service agreements, CPMC currently provides pediatric, obstetric, and certain tertiary services to Chinese Hospital patients. CPMC shall continue to provide such services in a manner generally consistent with existing services agreements with Chinese Hospital and its affiliates as of the Effective Date. Notwithstanding the foregoing, CPMC may adjust programs, services and service lines to meet evolving community needs and quality standards, as may be reflected in future service agreements with Chinese Hospital and its affiliates.

11. **Culturally and Linguistically Appropriate Services**. CPMC shall deliver at all Campuses culturally and linguistically appropriate services that are representative of San Francisco's diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS), as issued by the U.S. Department of Health and Human Services' Office of Minority Health in March 2001 and subsequently updated.

12. City Health Services System.

a. The City's Health Service System ("**HSS**") contracts with HMO, PPO and Administrative Service Organizations (the "**City Insurers**") to provide health care coverage to its members. The City Insurers currently include Blue Shield, Kaiser and United Health Care.

b. To promote the goal of ensuring that the cost of building the Cathedral Hill Hospital and the St. Luke's Hospital shall not be disproportionately passed on to the City, CPMC and City have agreed to the following rate increase limitations:

c. For the period from January 1, 2013 to December 31, 2015, the negotiated fee for service increase for CPMC shall not exceed 5% annually as compared to the prior fiscal year fee for service rates, and for the following seven (7) years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5% (the "**Annual Rate Increase**"). Fee for service rates include those services paid on a percentage of charge, case rate, or per diem rate and encompass all rates charged to the City Insurers on an encounter or per service basis. Such annual fee for service increase computation shall be on an aggregated blended basis computed on the previous year rates and services and shall not include incentives payments or shared savings payments earned by the facility. This means that, for the same claims from the previous year (priced on the current year's rates as compared to the prior year), the increase in the amount shall not exceed the Annual Rate Increase. The City Insurers may change periodically and the application of this limit is contingent on CPMC having a contract to participate in the product/network for HSS members with the applicable City Insurer, and this limit shall apply to all services provided to all HSS members enrolled in the product and covered by the applicable City Insurer even if the HSS member selected a primary care physician and /or physician group or independent provider association (IPA) that is not typically associated with CPMC. This Section does not apply to any City Insurer that does not have a contract with CPMC to participate in a HSS member/product or network.

d. CPMC will comply with all applicable laws and regulations that govern hospitals as to how patients must be treated when they present to CPMC for emergency services. This includes those patients with or without insurance coverage. CPMC shall also comply with all applicable provisions of Health and Safety Code Sections 1262.8, 1317.1, 1371.4 and 1386. In addition, if CPMC becomes a non-participating provider of any City Insurer's product/network for HSS Members after July 1, 2012, CPMC will work in good faith with the applicable City Insurer to establish a repatriation process for the applicable HSS members that are identified by the treating physician to be "stable for transfer" and for which the City Insurer has located a receiving physician to accept the HSS member at an appropriate facility that participates in the applicable City Insurer's product/network . The repatriation process may include but is not limited to

establishing direct telephone access between the parties twenty-four hours a day/seven days a week, assistance coordinating transport and transfers to the other facilities once identified as being available to receive the HSS member and delivering patient notifications from the City Insurer to HSS Members when appropriate.

e. In the event that the City and any City Insurer elects to offer a product/network that does not include CPMC as a participating provider for HSS members in the future, and CPMC continues to have a contract with the applicable City Insurer, CPMC will agree to extend to the City Insurer the same discount that CPMC (or an Affiliate of CPMC) extends to that City Insurer for all products/networks in which CPMC (or an Affiliate of CPMC) does not participate (the "**Non-Participating Provider Rate**"). The Non-participating Provider Rate will be applied to all services rendered to all the HSS members enrolled in the product/network, including but not limited to emergency services. This Section is not part of the Annual Rate Increase commitment above; however, the City may request an Independent Actuary to verify with the City Insurer that the rate was applied correctly as set forth in the applicable contract between the City Insurer and CPMC and per Section 12(g) below.

f. CPMC will provide reasonable access to City representatives to be included in related wellness and quality initiatives that impact HSS Members that participate in these types of programs administered or supported by CPMC ("**ACO Program**").

g. CPMC and the City shall, if requested by the City within one year of the end of the applicable fiscal year, jointly engage an independent third party actuary acceptable to all parties (the "**Independent Actuary**"), with not less than ten (10) years experience, to verify for the prior fiscal year, whether CPMC has satisfied the Annual Rate Increase commitment outlined in Section 12(c) above and verify the Non-Participating Provider Rates were applied as agreed in Section 12(e) above; provided however, the applicable City Insurer has also consented to such actuarial review and CPMC has a contract with that City Insurer to participate in at least one HSS member product/network. The Independent Actuary shall be a "disinterested person", which is someone who is not now, and within the preceding five (5) years has not been, employed or hired by, or had a business relationship with, either Party or any entity owned or controlled in whole or in part by either Party. CPMC and the City shall hire the Independent Actuary using a standard contracting form approved by all the Parties, with confidentiality required of all of the Parties for all information reviewed by the Independent Actuary. CPMC and the City shall pay one-half of the cost of the contract, although CPMC shall reimburse the City for its share as a City Cost under the Agreement (and the Independent Actuary shall not be informed of CPMC's reimbursement obligation). Because the City is not paying for the Independent Actuary, the City's contracting provisions in the San Francisco Administrative

Code will not apply. The Independent Actuary shall determine and inform the Parties, in a writing delivered jointly to CPMC and the City, whether CPMC has satisfied the Annual Rate Increase commitment and the Non-Participating Provider Rate commitment. The determination of the Independent Actuary shall be final and binding on the Parties. If CPMC exceeded the permitted Annual Rate Increase or the Non-Participating Provider Rate commitment, then CPMC shall pay to the HSS Trust Fund within thirty (30) days of receipt of the Independent Actuary's determination, for its non-performance and as liquidated damages, the amount of the difference between the amount paid by the applicable City Insurer to CPMC and the amount payable to CPMC by City Insurers consistent with those commitments as determined by the Independent Actuary. The information reviewed by the Independent Actuary shall remain confidential.

h. While CPMC must limit Annual Rate Increases as described above, nothing in this Exhibit shall limit a City Insurers' right or willingness to accept or reject any proposed Annual Rate Increase, or to negotiate a lower Annual Rate Increase, in any fiscal year. The Annual Rate Increases set forth above represent the maximum increases that CPMC may charge to City Insurers for which CPMC participates in the HSS member's product. CPMC and the City agree to work together in good faith to keep health costs as low as possible, and the City expects that the increases be less than the maximum levels identified above.

13. Books and Records.

a. CPMC shall at all times keep and maintain complete and accurate books and records relating to the satisfaction of CPMC's obligations under this Exhibit F (the "**Healthcare Obligations**"), including but not limited to the costs incurred by CPMC and the amounts reimbursed to CPMC[4] for completion of the Healthcare Obligations, as may be necessary or appropriate to verify compliance with the Healthcare Obligations (the "**Books and Records**"). All Books and Records shall be maintained in accordance generally accepted accounting principles for health care providers, and as required to satisfy State and federal reporting obligations.

b. CPMC must keep the Books and Records available for inspection by City and its agents in San Francisco during regular business hours, for a period of three (3) years from the date for performance of the obligation or, in the event of a dispute regarding satisfaction of the Healthcare Obligations, until such dispute shall have been resolved. CPMC agrees to make the Books and Records available to City and its agents annually upon request for the purpose of verifying CPMC's annual compliance or noncompliance with the Healthcare Obligations.

c. Upon request, CPMC shall furnish City with such other financial or statistical reports as are publicly available or as have been reported to governmental entities

[4] All references to CPMC in this Section 13 and in Section 14 shall include Affiliates of CPMC.

from time to time, including but not limited to reports to OSHPD. If any audit by or on behalf of a State or federal governmental entity reveals that information previously submitted by CPMC to the City is incorrect or materially misleading (under the same standards, methodologies and numbers used and accepted by the State or federal entity), then CPMC shall inform the City of the audit and the corrected information within 30 days following CPMC's receipt of the audit.

14. Reporting.

a. As part of each annual Compliance Statement (and after the Term within one hundred fifty (150) days following the end of each fiscal year for as long as any Healthcare Obligations remain outstanding), CPMC shall deliver to the City a reasonably detailed healthcare compliance report that verifies and provides the information required to demonstrate CPMC's compliance with each of the Healthcare Obligations during the preceding fiscal year, together with such backup documentation deemed reasonably necessary by the City to confirm such compliance (the "**Healthcare Compliance Report**"). Each Healthcare Compliance Report shall include a certification that it is true, accurate and complete, after reasonable inquiry, and complies with the terms of this Exhibit F. The City and CPMC shall cooperate with one another to develop a reporting format that satisfies the reasonable informational needs of the City in verifying compliance with this Exhibit F without requiring the disclosure of any CPMC confidential proprietary or trade secret information. CPMC shall provide or make available such additional supporting documentation as the DPH Director may reasonably request from time to time to verify CPMC's compliance with the Healthcare Obligations.

b. If the Baseline Commitment exceeds forty percent (40%) of EBITDA as set forth in Section 1(a) of this Exhibit F, then the CPMC EBITDA calculations submitted in accordance with this Agreement shall be accompanied by a report from CPMC's auditor, Ernst and Young (or successor independent auditors) stating that the financial information so submitted is fairly stated and consistent in all material respects with GAAP and the audited financials of Sutter Health.

c. If CPMC intends to construct a new capital project in the City during the Term that is not part of the Project, then CPMC shall provide OEWD with prior notice and meet and confer with OEWD, for a period of not less than sixty (60) days, to discuss the timing and potential impacts of the capital project on CPMC's Total Operating Expense.

15. Notices.

All notices under this Exhibit F shall be delivered in accordance with Section 13.11 of the Agreement, provided that any notice to the City shall also be made to the DPH at the following address, or such other address as may be substituted by the City from time to time:

DPH Director
101 Grove Street
San Francisco, CA 94102-4593

ATTACHMENT 1
TO
EXHIBIT F

Innovation Fund Grant Agreement

This Innovation Fund Grant Agreement ("**Innovation Fund Agreement**") is entered into between Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("**CPMC**") and [San Francisco Foundation] ("**Grantee**"), and is further agreed to and accepted by the City and County of San Francisco. Capitalized terms have the meaning set forth in paragraph 1 or as otherwise indicated in this Innovation Fund Agreement.

1. **Definitions.**

(a) Allowable Costs: The costs of Grantee allocable to the Innovation Fund, as set forth in paragraph 9.

(b) City: The City and County of San Francisco, California, a municipal corporation organized and existing under the laws of the State of California.

(c) Committee: The committee of fund advisers described in paragraph 5 of this Innovation Fund Agreement.

(d) Innovation Fund: The amount contributed by CPMC pursuant to paragraph 3.

(e) Innovation Fund Balance: The amount equal to the Innovation Fund adjusted to reflect (i) increases by investment earnings, and (ii) decreases by investment losses, disbursements to healthcare providers pursuant to this Innovation Fund Agreement ("**Disbursements**"), and Allowable Costs.

(f) Development Agreement: That certain Development Agreement Relating to the Construction and Reconstruction of Health Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan By and Between the City and Sutter West Bay Hospitals dated _____, 2012.

(g) Project: The CPMC project as contemplated by the CPMC Long Range Development Plan and as generally described in Exhibits B-1 to B-5 of the Development Agreement.

2. **Purpose**. The contributions made to Grantee pursuant to this Innovation Fund Agreement shall be used as a designated fund to enhance the performance and improve the sustainability of community based service providers in the City, in accordance with the terms set forth in this Innovation Fund Agreement.

3. **Innovation Fund**. Subject to the conditions set forth below and provided that the Development Agreement has not previously been terminated, CPMC shall contribute to the Grantee the total amount of Twenty Million Dollars ($20,000,000) in two (2) installments to be held as a designated fund by Grantee. The Innovation Fund contributions shall be made as follows: Three Million Five Hundred Thousand Dollars ($3,500,000), within thirty (30) days of the Effective Date, as defined in the Development Agreement, and Sixteen Million Five Hundred Thousand Dollars ($16,500,000), within thirty (30) days of the date Approvals are Finally Granted, as defined in the Development Agreement. Notwithstanding the foregoing, nothing in this Innovation Fund Agreement shall be construed as a binding pledge to Grantee enforceable by Grantee.

4. **Investment Instructions**. The Innovation Fund and Innovation Fund Balance shall be invested with a ten (10) year horizon for Disbursements as described in paragraph 6(b). Grantee shall exercise final control of the investment of the Innovation Fund Balance pursuant to Grantee's investment policy and the provisions of this paragraph 4.

5. **Committee of Fund Advisors.**

(a) There shall be a committee of Innovation Fund advisors (the "**Committee**"). The Committee shall consist of three members: (i) one representative of the City, (ii) one representative of CPMC, and (iii) one representative of Grantee. The Committee shall have the duties specified in this Innovation Fund Agreement and shall provide to the Grantee advice regarding the Disbursements to be made from the Innovation Fund, including the rate, schedule and allocation of Disbursements and the terms, goals and purposes thereof, without liability of any kind or character to any person on account of such advice. Every effort will be made to reach a consensus on any such advice from the members of the Committee and Grantee. If a consensus is not reached, the City and CPMC shall, through the Committee, nevertheless provide a single report to the Grantee conveying the view of each of the Committee members, and Grantee shall have the authority to make final Disbursement decisions after considering such report. Subject to the foregoing right of the Committee to provide advice regarding Disbursements, Grantee shall exercise final control of the Disbursement of the Innovation Fund Balance pursuant to the terms of this Innovation Fund Agreement. Except where in this Innovation Fund Agreement notice is specified to be provided by a specific party, Grantee may rely on a written notice from City or CPMC, as members of the Committee, and shall have no obligation to investigate whether any such written instruction or notice is agreed to by any other member of the Committee, or is consistent with the obligations of CPMC or the City to any party other than Grantee. All Disbursements must be approved by the Board of Trustees of the San Francisco Foundation.

(b) Each year, no less than sixty (60) days after the close of Grantee's annual accounting period, Grantee shall prepare and provide to each member of the Committee, a written accounting of the Innovation Fund Balance, principal and earnings of the Innovation Fund for the preceding year, and Innovation Fund Disbursements.

(c) Grantee shall maintain records as part of its accounting system to account for all Disbursements, costs and expenses for a period of not less than four (4) years following

the date of such Disbursements, costs or other expenditures, and annually make records available to City and CPMC as provided herein and upon request.

6. **Annual Disbursements.**

(a) Grantee shall annually distribute a portion of the Designated Fund Balance to third-party health care providers/recipients and others through a grant application process approved by CPMC and City, in an amount and for such purposes as are consistent with the purposes of the Innovation Fund as described herein.

(b) The annual grant Disbursements shall be scheduled and allocated in such manner so as to maintain sufficient Innovation Fund Balance so that Disbursements may be provided for ten (10) years. The first Disbursements shall be made within one (1) year of the contribution of the Innovation Fund, as determined by the Committee and Grantee as provided above.

(c) Grantee shall confer with the Committee and obtain Disbursement advice from CPMC and City through the Committee prior to making a Disbursement commitment in accordance with Section 5(a), above. Grantee shall impose restrictions and/or conditions on grant Disbursements as necessary to ensure accountability for use of funds and to monitor effectiveness.

(d) City and CPMC shall have no right to challenge the appropriateness or the amount of any Disbursement provided it is consistent with the procedures and purposes identified herein.

7. **Initial Program Goals and Allocation**. The initial program goals and Innovation Fund allocation guidelines for Disbursements are as follows:

(a) Support and improve the capacity of community clinics to increase their participation in managed Medi-Cal programs, including, but not exclusive to, the creation of a new MSO or expansion of existing MSOs, development of care management capabilities, implementation and integration of evidence-based chronic disease management and team-based care models, investment in electronic medical records, participation in the San Francisco Health Information Exchange and developing organizational partnerships between CPMC and existing community clinics and support for provision of specialty medical services (approximately 75%); and

(b) Provide infrastructure support for community-based health and human services providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including community-based behavioral health care service providers (approximately 25%).

In implementation of the program goals related to MSOs, the Committee will consult with third-party subject matter experts, in health care delivery in a managed care environment, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals; and

These initial program goals and allocation guidelines are subject to change as determined in accordance with Section 5, above.

8. **Termination of This Innovation Fund Agreement.**

(a) Termination by Grantee. If at any time Grantee (i) fails to qualify as an organization described in Internal Revenue Code Section 501(c)(3), (ii) ceases to exist, or (iii) determines, in its sole judgment, that any restriction or condition in this Innovation Fund Agreement has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served, then Grantee shall provide notice to CPMC and City and then transfer the entire Innovation Fund Balance within forty-five (45) days to a successor nonprofit charitable trust, fund, foundation or corporation which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3) and that meets with the approval of CPMC and City.

(b) Termination of Development Agreement. CPMC or City shall notify Grantee no later than ten (10) days after any termination of the Development Agreement between CPMC and City prior to the expiration of its Term. In such event, CPMC shall cease to be a member of the advising Committee, and Grantee shall continue to administer the Innovation Fund Balance in accordance with this Agreement.

9. **Allowable Costs**. The costs of establishing the Innovation Fund, investment expenses, management fees for professional managers and advisors (whether the Innovation Fund Balance is separately managed or co-mingled with an endowment pool containing other funds) plus [___%] for overhead costs of Grantee, shall be charged against the Innovation Fund. If co-mingled, the Innovation Fund Balance shall bear not more than its proportionate share of the fees and costs.

10. **Notice.**

(a) Procedure. All formal notices to a party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, or by overnight courier delivery, to such party's mailing address. The respective mailing addresses of the parties are, until changed as hereinafter provided, the following:

GRANTOR:

Grant Davies
Executive Vice President
California Pacific Medical Center
2351 Clay Street, 7th Floor
San Francisco, CA 94115

with a copy to:

Michael Duncheon
VP & Regional Counsel
West Bay Region Office of the General Counsel
Sutter Health
633 Folsom Street, Seventh Floor
San Francisco, CA 94107

GRANTEE:

[San Francisco Foundation
225 Bush Street, Suite 500
San Francisco, CA 94104
Attention _____]

(b) Notices and communications to members of the Committee shall be given in the manner provided herein at the addresses above, unless otherwise provided by each such member.

(c) Notices and communications with respect to technical matters in the routine performance and administration of this Innovation Fund Agreement shall be given by or to the appropriate representative of a party by such means as may be appropriate to ensure adequate communication of the information, including written confirmation of such communication where necessary or appropriate. All formal notices under this Innovation Fund Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by courier, on the delivery date or attempted delivery date shown on the return receipt or courier records. Any notice which a party desires to be a formal notice hereunder and binding as such on the other party must be given in writing and served in accordance with this paragraph.

(d) Change of Notice Address. A party or member of the Committee may change its, his or her mailing address at any time by giving formal written notice of such change to the other party (or both parties in the case of a member of the Committee) and each member of the Committee in the manner provided in this paragraph at least ten (10) days prior to the date such change is effected.

11. **Obligations of Grantee.**

(a) In addition to any other reports or notices required by this Innovation Fund Agreement, and until otherwise notified by CPMC or City that the requirement has or will be satisfied by the accounting provided pursuant to Section 5(b) above, Grantee shall submit to CPMC and City full and complete annual reports on the manner in which the principal and income (if any) arising from the Innovation Fund Balance have been allocated or Disbursed, and such annual reports shall be due no later than 60 days after the close of Grantee's annual accounting period.

(b) Grantee shall maintain records of receipts and expenditures and shall make its books and records relating to this Innovation Fund available to CPMC and City at reasonable times.

(c) Grantee shall not use any portion or proceeds from the Innovation Fund:

(1) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)),

(2) to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)),

(3) to make any grant to an individual or to another organization unless such grant shall be specifically described in paragraph 6, 7 or 8 hereof,

(4) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

(d) Grantee shall notify CPMC and City of any organizational changes during the term of the grant, including, but not limited to, any changes in the office of President or CEO and Treasurer or CFO, changes in the Grantee's tax-exempt status, and any event that is a disqualification event described in Section 8(a).

12. **Miscellaneous**. This Innovation Fund Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into between California residents and wholly to be performed in California. This Innovation Fund Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Innovation Fund Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

13. **Time**. Time is of the essence of this Innovation Fund Agreement and of each and every term and condition hereof. "Days" shall mean calendar days. In the event that any period of time to perform an obligation or notice period under this Innovation Fund Agreement ends on a Saturday, Sunday or state or national holiday, the applicable time period shall be extended to the next business day.

IN WITNESS WHEREOF, the undersigned have executed this Innovation Fund Agreement on the dates indicated.

CPMC

Sutter West Bay Hospitals,
a California nonprofit public benefit
corporation, dba CPMC

GRANTEE

[San Francisco Foundation],
a California nonprofit public benefit
corporation

By: _____

Its: _____

Dated: _____

By: _____

Its: _____

Dated: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney
City and County of San Francisco

AGREED AND ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Its: _____

Dated: _____

EXHIBIT G

Housing Program

CPMC shall make contributions for housing as described in this Housing Program, including: (1) $4,138,620.00 to replace the total of 25 residential hotel and dwelling units that will be demolished as part of the Project, (2) $29,000,000.00 to assist in the production of affordable rental housing, and (3) $29,000,000.00 to create a downpayment assistance program for CPMC's low and moderate income employees, all as set forth below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit G.

1. **Residential Hotel Unit Replacement**

   a. All section references in this Section 1 only are to San Francisco Administrative Code Chapter 41, the Residential Hotel Unit Conversion and Demolition Ordinance ("**Residential Hotel Ordinance**").

   b. The Cathedral Hill MOB site contains twenty units that are designated as residential hotel units under Chapter 41. The units are as follows: six at 1034-1036 Geary Street and 14 at 1028-1030 Geary Street (collectively, the "**Residential Hotel Units**"). Section 41.12 requires a project sponsor to obtain a permit to convert a residential hotel unit before demolishing or converting it to another use. Before issuing a permit to convert, DBI must confirm that the project sponsor has complied with the one-for-one residential hotel unit replacement requirements of Section 41.13. Section 41.13(a)(4) allows a project sponsor to comply with this requirement by paying to MOH a fee equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition cost, as determined by the Department of Real Estate ("**DRE**") based on two independent appraisals. DRE obtained the required appraisals and, by letter dated September 7, 2010, established the total fee for the Residential Hotel Units as Two Million Six Hundred Eighty Four Thousand Eight Hundred Dollars ($2,684,800.00) ("**Residential Hotel Unit Replacement Fee**").

   c. The obligation to pay the Residential Hotel Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the permit to convert for the Residential Hotel Units or (ii) the Effective Date. Upon such payment CPMC shall have satisfied the requirements of Section 41.13(a)(4). MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Hotel Unit Replacement Fee. Following payment by CPMC, the Residential Hotel Unit Replacement Fee shall not be refundable.

2. **Residential Unit Replacement**

The Cathedral Hill MOB site contains one residential unit at 1034-1036 Geary Street and four residential units at 1054-1060 Geary Street (collectively, the "**Residential Units**"). San Francisco Planning Code Section 317 requires conditional use approval for the demolition of three or more residential units, but does not require unit replacement. The City, acting through MOH, and CPMC, have agreed to a unit replacement fee of One Million Four Hundred Fifty Three Thousand Eight Hundred and Twenty Dollars ($1,453,820.00) for the Residential Units ("**Residential Unit Replacement Fee**"). The Residential Unit Replacement Fee is based on the Citywide inclusionary housing fee schedule for three one bedroom units ($248,210.00 x 3), one two bedroom unit ($334,478.00) and one three bedroom unit ($374,712.00). The obligation to pay the Residential Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the demolition permit for the Residential Units and (ii) the Effective Date. MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Unit Replacement Fee. Following payment by CPMC, the Residential Unit Replacement Fee shall not be refundable.

3. **Affordable Housing Payment**

a. CPMC will pay Twenty Nine Million Dollars ($29,000,000.00) ("**Affordable Housing Payment**") to the City, to be deposited in a separate account within the Affordable Housing Fund to be administered by MOH and used for predevelopment and development expenses and administrative costs associated with acquisition, construction, or rehabilitation of permanently affordable rental housing units in San Francisco. The obligation to make the Affordable Housing Payment arises and is payable by CPMC as follows: (i) Three Million Three Hundred and Fifty Thousand Dollars ($3,350,000.00) on the Effective Date; (ii) Ten Million Six Hundred Fifty Thousand Dollars ($10,650,000.00) on the earlier of the Commencement of Construction of the Cathedral Hill Hospital or the date that the Approvals are Finally Granted; and (iii) Seven Million Five Hundred Thousand Dollars ($7,500,000.00) annually on each anniversary of the date that the payment was due and owing under (ii) above until the Affordable Housing Payment is made in full. Once any installment of the Affordable Housing Payment is made, such payment shall be nonrefundable. To any amount due under subsection (ii) and (iii) CPMC shall add a Fee Deferral Surcharge, equal to the total amount due multiplied by the increase in the San Francisco Annual Infrastructure Construction Cost Inflation Estimate as published by the Office of the Controller each year for the period between the Effective Date and the date that the payment is made, compounded annually and prorated for any partial year. At CPMC's election, exercised in its sole and absolute discretion, CPMC may make the Affordable Housing Payment specified in subsection (iii) earlier than the required dates set forth above, and the amount of Fee Deferral Surcharge due shall be based on the date of payment.

b. MOH shall have the right, in its sole discretion, to determine how and where to apply the Affordable Housing Payment, with the only restriction being that MOH must use the Affordable Housing Payment for predevelopment and development expenses and administrative costs associated with the acquisition, construction or rehabilitation of affordable housing units in San Francisco as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco. MOH shall maintain records as part of the City's accounting system to account for all expenditures from the Affordable Housing Payments for a period of four (4) years following the date of expenditure, and make such records available upon request.

4. **CPMC Workforce Housing Downpayment Assistance Loan Program**

a. Workforce Housing Downpayment Assistance Loan Program Account. Upon receipt of the initial CPMC DALP Payment as defined and set forth in Section 4.b of this Exhibit, the City shall establish a CPMC Workforce Housing Program Downpayment Assistance Account ("**CPMC DALP Account**") as part of the Affordable Housing Fund, to be used by MOH to administer a CPMC Downpayment Assistance Loan Program ("**CPMC DALP**") generally in accordance with the CPMC Downpayment Assistance Loan Program Manual attached as Schedule A to this Exhibit ("**CPMC Manual**"), as modified from time to time to reflect permitted changes to the CPMC DALP in accordance with Section 5 of this Exhibit. The purpose of the CPMC DALP is to provide downpayment assistance to Qualified CPMC Employees as defined in Section 4.d of this Exhibit and for no other purpose (except for permitted uses described in Section 4.g of this Exhibit). Once the CPMC DALP Account is established, MOH shall promptly commence and thereafter continue administration of the CPMC DALP consistent with the CPMC Manual for a period of eight (8) years (i.e., until the eighth (8^{th}) anniversary of the first payment of the CPMC DALP Payment) (the "**End Date**"). All of MOH's costs in administering the CPMC DALP, including related homeownership counseling for CPMC borrowers and outreach to CPMC employees, shall be paid from the CPMC DALP Account, payable to MOH consistent with the process established in the CPMC Manual. MOH will charge a one (1) percent fee on each loan to cover costs associated with administering the CPMC DALP as described above.

b. CPMC Contributions to City for CPMC DALP Account. CPMC will pay to MOH Twenty Nine Million Dollars ($29,000,000.00) (the "**CPMC DALP Payment**") for the CPMC DALP Account. CPMC's obligation to make the CPMC DALP Payment arises and is payable as follows: (i) Five Million Eight Hundred Thousand Dollars ($5,800,000.00) on the earlier of the date that the Approvals are Finally Granted or Commencement of Construction of the Cathedral Hill Hospital; and (ii) Five Million Eight Hundred Thousand Dollars ($5,800,000.00) annually thereafter on each anniversary of the date that the first payment under clause (i) above is made until the CPMC DALP Payment is made in full. To any amount due under clause (ii) above CPMC shall add a Fee Deferral Surcharge equal to the total amount due multiplied by the increase in San Francisco Annual Infrastructure Construction Cost Inflation

Estimate as published by the Office of the Controller each year for the period between the date that the Approvals are Finally Granted and the date that the payment is made, compounded annually and prorated for any partial year. The calculation of the Fee Deferral Surcharge shall be made as set forth in Section 3 of this Exhibit. Any remaining funds in the CPMC DALP Account at the end of a given year shall be retained for use in future years until the End Date. If there is excess demand for CPMC DALP funds in a given year, then CPMC may, in its sole and absolute discretion, advance the next year's payment or such portion thereof to reduce the excess demand.

c. Accounting and Record-Keeping. MOH shall maintain the CPMC DALP Account as a segregated interest-bearing account, with any interest earned or amounts lost to remain in the account and used exclusively for the purposes set forth in this Section 4 of this Exhibit until the End Date, at which time such funds shall be governed by Section 4.g of this Exhibit. MOH shall maintain books and records to account for all revenues and expenditures from the CPMC DALP Account and make all such records available to CPMC upon request for a period of four (4) years following the date of expenditure.

d. Modifications to City's DALP Program. Unless separately defined herein or in the Agreement, initially capitalized terms in this Section 4.d of this Exhibit shall have the meaning and content set forth in the CPMC Manual. For the CPMC DALP, the following requirements apply:

i. To qualify for assistance under the CPMC DALP Account, a Borrower must (A) be a Qualified CPMC Employee as defined below, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan, and (B) meet the Borrower eligibility requirements of the City's DALP, modified as follows: (1) the annual household income cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size, or if such index is no longer published by HUD, then the alternative index used by MOH for its other downpayment assistance loan programs; and (2) a Borrower is permitted to have a prior ownership interest in a dwelling unit, commercial real estate or land, provided that any such interest shall have terminated at least three (3) years before the CPMC DALP loan application submittal date.

ii. To be a "**Qualified CPMC Employee**", a Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date. Each Borrower must obtain an employment verification letter from

CPMC or provide a paystub, dated within the past 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall provide the CPMC Representative (defined below) with notice of the application. The CPMC Representative shall notify MOH, within seven (7) days of MOH's notice of the application, if the applicant meets or does not meet the definition of a Qualified CPMC Employee (and if the latter, the reasons therefore). If the CPMC Representative does not respond within seven (7) days, then MOH shall send a second notice to the CPMC Representative. If the CPMC Representative fails to notify MOH that the applicant does not meet the definition of a Qualified CPMC Employee within seven (7) days of the second notice, then such applicant shall be deemed a Qualified CPMC Employee.

iii. The maximum CPMC DALP loan amount to each Borrower is the lesser of Two Hundred Thousand Dollars ($200,000.00) or 45% of the purchase price.

iv. To qualify for assistance under the CPMC DALP Account, a Borrower cannot seek to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

e. CPMC Representative. CPMC shall from time to time by notice to MOH designate a person who may act as its representative for day-to-day administration of the CPMC DALP (the "**CPMC Representative**"). Notice under Section 4.d(ii) of this Exhibit shall be made to the CPMC Representative only. The CPMC Representative as of the Effective Date is _____ [to include address for notice purposes]. MOH shall give periodic progress reports to the CPMC Representative as agreed to by MOH and the CPMC Representative. Until the End Date, the CPMC Representative shall have an opportunity to review each application and MOH commitment letter. If the CPMC Representative fails to raise any objection to the making of a CPMC DALP Loan on a timely basis or notify MOH that a Qualified CPMC Employee status has changed and such person no longer is a Qualified CPMC Employee, then MOH shall have the right to make the loan to such person. Any objection raised by the CPMC Representative must be based upon the rules and requirements of the CPMC Manual and this Exhibit.

f. Consistency with CPMC Manual. The CPMC DALP Account shall be administered by MOH in accordance with the rules and regulations set forth in the CPMC Manual. CPMC acknowledges that the CPMC Manual establishes additional eligibility requirements and underwriting criteria that MOH shall apply in reviewing each

application for downpayment assistance, and agrees that MOH shall have reasonable discretion, consistent with the CPMC Manual, in applying such criteria to all applications for CPMC DALP loans. CPMC shall have no right to challenge the appropriateness or the amount of any CPMC DALP loan approved or rejected, so long as such determination was reasonable; provided MOH agrees to meet with the CPMC Representative upon request to review and discuss any rejected application or any other matter relating to the CPMC DALP.

g. Use of Funds on and After the End Date; Use of Repayment Funds. Any funds remaining in the CPMC DALP Account on the End Date shall be used by MOH in its sole discretion for affordable housing in the City. In addition, any funds that MOH receives from the sale of any residential units by persons that received a CPMC DALP Loan, including but not limited to any shared appreciation in such residential units between the time of purchase and the time of sale, shall be used by MOH in its sole discretion for affordable housing in the City. MOH shall have the right, in its sole discretion, to determine how and where to apply all such funds, with the only restriction being that MOH must use such funds for affordable housing in the City. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco.

5. **Modifications.**

The CPMC DALP may be further modified from time to time as mutually agreed in writing by CPMC and MOH. In addition, MOH may modify the CPMC DALP from time to time to maintain consistency with changes being made to other MOH downpayment assistance loan programs provided that such modifications shall not change the provisions of Section 4.d of this Exhibit or materially alter the rights, benefits or obligations of CPMC employees as set forth in Section 4 of this Exhibit. Prior to modifying the CPMC DALP in accordance with this Section 5, MOH shall provide CPMC notice of the proposed changes and a fifteen (15) day period to meet and confer with respect thereto. Any notice to CPMC under this section shall be made to the address set forth in Section 13.11 of the Agreement, with the CPMC Representative as an additional recipient. The proposed changes shall not be effective until and unless such meet and confer session first occurs unless CPMC provides notice to MOH declining the opportunity to meet and confer, in which case the changes shall be effective as of the date of CPMC's notice.

6. **Board Authorization and Appropriation.**

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes MOH to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate, interest-bearing accounts as contemplated in this Exhibit, and appropriates the funds, including interest earnings and loan repayments, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the account created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund. After the End Date, any loan repayments and interest

earnings shall be deposited into the Affordable Housing Fund, with such expenditures to be authorized by the MOH Director.

Schedule A

CPMC Downpayment Assistance Loan Program Manual

[attached]

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

CALIFORNIA PACIFIC MEDICAL CENTER

DOWNPAYMENT ASSISTANCE LOAN PROGRAM

(CPMC DALP)

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Tel. (415) 701-5500
Fax (415) 701-5501
www.sf-moh.gov

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM

Section 1.01 PROGRAM DESCRIPTION

A. INTRODUCTION

The Mayor's Office of Housing (MOH) administers the California Pacific Medical Center (CPMC) Downpayment Assistance Loan Program (CPMC DALP) contained in Exhibit G to the Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, a California nonprofit public benefit corporation doing business as CPMC (Development Agreement). This manual (CPMC DALP Manual) describes the program guidelines and processing procedures for the CPMC DALP. It also establishes the roles and responsibility of the City and County of San Francisco, MOH, the first mortgage lenders and the homeownership counseling agencies. In the event of any conflict between this CPMC DALP Manual and the terms of Exhibit G to the Development Agreement, the terms of Exhibit G shall prevail.

B. DEFINITIONS

1. **Appreciation**: An amount representing the increased value of a property determined by comparing the fair market value (FMV), or sale price of a property at the time of the original purchase with the new FMV or sale price at the time of resale.

2. **Back-end ratio:** The ratio between monthly household income and monthly housing costs plus all payments on long-term installment debt.

3. **Bedroom**: A habitable room with legal ceiling heights, a closet, window and door with direct connection with the living space of the property. Bonus room and finished room will be considered as bedroom, if the room has the above requirements. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required.

4. **Borrower:** For purposes of determining the household income, the income of all persons 18 years and older who will reside in the property will be considered as part of the total income used to determine eligibility within the established limits. Borrower must include a Qualified CPMC Employee. A Co-Borrower will be any additional person included on the deed as the owner or grantee of the residence to be purchased with the CPMC DALP loan.

5. **Director**: Director of the Mayor's Office of Housing, or other official designated by the Mayor of the City and County of San Francisco.

6. **Dependents**: The household members who reside in the property and who are listed as dependents on the Borrowers' income tax returns.

7. **Eligible Household**: To be considered a member of a household, a person must either be (1) on the title and the loan documents for the unit or (2) claimed as a dependent on the tax returns of a household member who will appear on the title and loan for the property. A household is

defined in terms of financial relationships and can include any owner partnerships as long as their combined gross, annual income meets the eligibility guidelines. All household members must be first time homebuyer.

8. **Fair Market Value**: The value of a property based upon the determination of an authorized appraiser mutually acceptable to both the City and the Borrower.

9. **First-time homebuyer**: All Borrowers receiving a CPMC DALP loan must be a first time home buyer. First time home buyer is defined as a Borrower who has not had an ownership interest in a dwelling unit, commercial real estate or land for the last three-year period prior to the CPMC DALP loan application submittal date.

10. **Front-end Ratio:** The ratio between monthly household income and monthly housing cost, including first
mortgage principal, interest, taxes, insurance and homeowner association due (HOA).

11. **Gross income:** The anticipated income of a Borrower or household member for the twelve-month period
following the date of determination of income before tax withholding.

12. **Home**: Any residential property in which a Borrower or any member of a Borrower's household has ever owned as their Principal Residence.

13. **Household Size Compatibility**: The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.

14. **Household Income:** All sources of income from which the Borrower(s) and any other person 18 years of age or older who is expected to live in the residence, receive income including the monthly gross pay; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest, royalties, pensions, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

15. **In-Law Units:** An area within the property that is autonomous from the principal residential area and has been constructed or converted to accommodate a living space for a separate household complete with kitchen and bath.

16. **Loan-to-value-ratio**: The ratio between the amount of all indebtedness likened or to be liened against a property to the appraised value of the property securing the liens.

17. **Liquid Assets:** Liquid assets include all sources of monies from savings, checking accounts or investments held by any occupant of the Borrower's household, including minors and any fund is available to liquidate. Liquid Assets will not include funds held in a pension account,

retirement fund, 401K plan, or similar asset that is not available for purchase of the property or liquidation.

18. **Mayor's Office of Housing ("MOH")**: The office designated by the Mayor to administer the program guidelines and perform required oversight and compliance monitoring of the Regulations established by the Affordable Housing and Home Ownership Program ("Program").

19. **Maximum Purchase Price Limits**: The current maximum purchase limit is $637,645.

20. **Maximum Income Limits**: The CPMC DALP is available to eligible households whose combined annual income of all members 18 or older cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Bay Area as defined by HUD and adjusted for household size. The amounts are adjusted on an annual basis.

21. **Monitoring**: Activities of the Mayor's Office of Housing, which will ensure compliance with the requirement of owner occupancy. Borrowers are required to submit certain documentation on a regular basis to MOH to substantiate their continuing compliance with the Program requirements.

22. **Participating Lender**: Lending institutions that have demonstrated their ability to provide loan origination services and perform other duties within applicable laws and the Regulations.

23. **Primary Financing**: The first mortgage made by a Participating Lender for the purchase of a Principle Residence, which shall be the maximum loan affordable to an eligible Borrower.

24. **Principal Residence:** (1) A Single-Family Residence, (2) condominium or (3) townhouse. It does not include limited cooperatives (such as timeshares), recreational vehicles, campers, or similar vehicles. The Borrower must occupy the Principal Residence substantially for entire term of the loan.

25. **Qualified CPMC Employee**: A Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date.

26. **Purchase Price**: The cost of acquiring a residence, excluding usual and reasonable settlement or financing costs, and excluding the value of services performed by Borrower in completing the acquisition of the residence.

27. **Regulations**: The Regulations for Program as adopted by The Board of Supervisors of the City and County of San Francisco and as amended from time to time.

28. **Rental Units**: Any dwelling unit in which a Borrower maintains an ownership interest and is used, or can potentially be used, as an investment from which they derive rental income from tenants.

29. **SFMSA:** San Francisco Metropolitan Statistical Area.

30. **Single Family Residence:** A single-family one-unit residence intended and used for occupancy by one family household.

31. **Total Transaction Costs**: The cost of the purchase of a home, including the sales price, closing costs and transactional fees.

C. ELIGIBLE USE OF FUNDS

1. CPMC DALP loans will be made from available funding sources identified in Exhibit G, Section 4.b. of the Development Agreement. CPMC DALP loans are to provide down payment assistance to Qualified CPMC Employees who are first time home buyers to purchase their principal residence in San Francisco.

2. CPMC DALP loans are available to households earning not less than 60% nor more than 100% of the area median income (AMI) for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

3. CPMC DALP funds cannot be used to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

D. BORROWER ELIGIBILITY REQUIREMENTS

The following criteria must be met for a Borrower to be eligible for funding under the requirements of the CPMC DALP:

1) Income and Asset Requirements:

A. Maximum Income Limits

The Borrower's annual household income cannot be less than 60% or more than 100% of the area median income for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

Gross Income Includes: All sources of income from which the Borrower and any other person 18 years of age or over, who is expected to live in the residence. Gross income from wages, salaries; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest or dividends earned on assets, royalties, annuities, insurance policies, retirement funds, pensions, disability or death benefits, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

Income Determination:

The Gross Income of a Borrower (or Borrowers) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Use one of the appropriate formulas for full time employment (40 hours) or employment with consistent regular hours or income to arrive at the Borrower's base pay.

The calculation of income based on the gross income on each borrower's three most recent and consecutive pay-stubs. Each household member's income is derived by dividing the year-to-date (YTD) gross income by the current pay period and then by annualizing an estimated pay period amount by the number of times the person is paid in one year.

YTD gross income/current pay period x number of paid a year = Annualized gross income
Example:
Year-to-date income is $20,000 as of the 10th pay period of the year
Estimated pay period amount = $20,000 divided by 10 = $2,000
Total number of pay periods in year for Borrower is 24
Annualized pay = $2,000 x 24 = $48,000

Calculations such as part-time employment with variable hours (or less than 40 hours per week), inconsistent income or hours, overtime, bonuses and commissions, etc., can be calculated using year-to-date income to project the annual income.

A self-employed Co-Borrower can also be considered to have income which varies from month to month. The Co-Borrower gross annual income calculations will be based on the net income before taxes from the Co-Borrower signed, quarterly Profit and Loss Statement. This amount will be divided by the appropriate number of months covered by the Profit and Loss Statement to derive at a monthly income amount. The monthly income amount will be multiplied by 12 to derive the annual income.

A self-employed Co-Borrower must provide:
- Self-employed Affidavit.
- All Profit and Loss statements from the past 3 years
- An estimated Profit and Loss statement for the current year
- Copies of all invoices and payments made to the borrower as a part of self-employment in the current calendar year.

Example:
Year-to-date net income is $32,000 for 5 months on the P/L Statement
Estimated Income amount = $32,000 divided by 5 = $6,400
Total number of the year is 12 months
Annualized Income = $6,400 x 12 = $76,800

A Co-Borrower not employed or not receiving any income must provide:
- Unemployment Affidavit must be signed and notarized.
- Unemployment Affidavit must be used in the event that the Borrower is not able to provide the Mayor's Office of Housing with paystubs or other documentation of regular income.

Interest earnings are computed on the net principal of the liquid assets at the current market rate after reduction of downpayment and closing cost requirements as applicable.

Information with respect to gross monthly income may be obtained from available loan documents executed during the four-month period ending on the date of the closing of the

mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (and any Co-Borrower) and any other person over 18 years of age who is expected live in the residence being financed. If the Co-Borrower, co-signer or co-habitant meets both requirements in the sentence above, include his/her income in your gross income calculations.

Verification of Employment and other supporting documentation regarding income such as pay stubs should be no more than 60 days old at the time of submission of the CPMC DALP loan application.

B. Liquid Assets includes: All source of monies from savings, checking accounts, investments and properties held by any member of the Borrower's household including minors and any fund is available for liquidation to purchase property. Liquid Assets do not include funds held in pension accounts, retirement funds, 401(k) plans, or similar assets which are not available for liquidation without substantial financial penalty to the Borrower. Personal property such as household furnishings, tools of trade or employment, or automobiles are NOT considered liquid assets. Evidence that liquid assets have been transferred to another individual or into an unavailable asset account to avoid use in the purchase will result in disapproval of the Borrower's application. **Combined household liquid assets after purchase of property cannot exceed $25,000.**

As of January 1, 2012 the income limits as follows:

Persons per household	One	Two	Three	Four	Five
60% of AMI	$43,250	$49,450	$55,600	$61,800	$66,750
70% of AMI	$50,450	$57,700	$64,900	$72,100	$77,900
80% of AMI	$57,700	$65,900	$74,150	$82,400	$89,000
90% of AMI	$64,900	$74,150	$83,450	$92,700	$100,150
100% of AMI	$72,100	$82,400	$92,700	$103,000	$111,250

2) **First Time Home Buyer Requirements:** The CPMC DALP funding is available only to those Borrowers who have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date. This includes homes in any geographic location and not limited to property in the City and County of San Francisco. Evidence of compliance with this requirement includes the *First Time Homebuyer Affidavit (CPMC-DALP-4)* ("FTH Affidavit")

Executed copy of this affidavit must accompany each loan application package submit to MOH for loan review. Each party must personally execute *CPMC-DALP Application Form (CPMC-DALP-1),* all affidavits; no powers of attorney may be used with any of these documents. In addition to this *FTH Affidavit,* the following evidence is required to determine First Time Homebuyer status and must be included with each loan submission file:

a. True, correct and complete signed copies of the Borrower's federal income tax returns as filed with the IRS (or IRS printouts of complete tax returns) for the immediate three years, or

b. An *Income Tax Affidavit (CPMC-DALP-3)* that the Borrower has not been required to file a federal income tax return during one or all of the preceding three years because the Borrower's gross income was less than the minimum required for filing federal income tax returns. In addition, if the Borrower submits this Affidavit of non-filing, the Borrower must also include additional supporting documentation, including but not limited to verification from the Borrower's landlord, and rental receipts with rental agreements for the year(s) in question. Also, the Borrowers require signing this Affidavit and preceding year W-2 Forms when an application is submitted during the period between January 1 to February 28 and the Borrower has not yet filed his/her federal income tax return for the preceding year with the IRS, and

c. Sign *IRS Form 4506T*-Request for Copy of Tax Return.

3) **Minimum Downpayment Requirement**: Borrower must contribute a minimum of five percent (5%) of the purchase price from the Borrower's own funds toward the down payment of the property. Borrower must have sufficient funds to meet the require down payment, closing cost, necessary reserves and sufficient income to meet the monthly mortgage payments, property tax, homeowner insurance and homeowner association dues.

4) **Primary Financing**: Borrowers who apply for a downpayment assistance loan must be able to qualify for a maximum first mortgage from a Participating Lender for the purchase of a property located in the City and County of San Francisco prior to submitting an application for a downpayment assistance loan. Borrowers must have sufficient funds to meet the required down payment, closing costs, and necessary reserves and sufficient income to meet the monthly housing payments. The CPMC DALP loan must take second lien behind the first mortgages.

Allowable Loan Types**:** The first mortgage must be 30 year fixed rate and fully amortizing mortgage.

Combined Maximum Loan-to-Value Requirement (CLTV) cannot exceed 95% of the purchase price, which include the first mortgage; the City's Downpayment Assistance Loan and any other borrowed subordinate financing.

Debt to Income Ratio: Borrowers monthly housing debt, including property taxes, property insurance, and if applicable mortgage insurance and homeowner's association dues cannot be less than 33% (front-end-ratio) of the household's gross income. The ratio of monthly housing costs, plus all other household monthly debt (including credit cards, car payments, etc.) cannot exceed 45% (back-end-ratio) of the household's gross income. The back-end-radio cannot exceed more than 5% of the front-end ratio (for example, the front-end ratio is 33%, the back-end-ratio cannot exceed 38%).

Seller credits are allowed to pay for the buyers' non recurring closing costs only and no cash back to buyer. (Funds must be used in escrow.) The seller credit amount cannot exceed the total nonrecurring closing costs.

5) **Homebuyer Education Requirements**: Borrowers must complete the first-time homebuyer education course through one of MOH's 5 approved housing counseling agencies. A certificate

of completion of homebuyer education must be included with the application package. For schedule of the homebuyer course, Borrowers may call or visit the housing counseling agencies website: http://sf-moh.org/index.aspx?page=289 Certifications must have been issued within the last 12 months from the date of the application for downpayment assistance.

6) **Owner-Occupancy Requirement**: Borrowers must meet the following residency requirements throughout the life of the loan in order to comply with the terms of the downpayment assistance loan:

a. The Borrower must occupy the purchased property as their Principal Residence within 60 days after the close of escrow and continuously thereafter, for the term of the loan or until the property is sold.

b. Properties eligible to receive downpayment assistance loans must remain owner-occupied throughout the term of the loan. Compliance monitoring will be performed and documented proof of occupancy required at intervals determined by MOH.

7) **Household Size Compatibility:** At the time of application, the size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit; a three-person household may purchase a three-bedroom unit.

8) **Title Transfer Restriction:** Changes in the title are not permitted. However, deletion of a Borrower or Co-Borrower from title may be allowed in cases of death or divorce.

9) **Non-Discrimination and Privacy Requirements:** All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of Borrowers, and should use the information received only for purposes of verifying the Borrowers' eligibility for a downpayment assistance loan.

10) Employment Verification Letter. Each Borrower must be a Qualified CPMC Employee, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan. Each Borrower must obtain an employment verification letter from CPMC or provide a paystub, dated within the last 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall follow the procedures set forth in Section 4.d.ii of Exhibit G to the Development Agreement for confirming whether the Borrower is a Qualified CPMC Employee.

E. PROPERTY ELIGIBILITY REQUIREMENTS

1. All properties purchased with downpayment assistance loan funds must be single-family residences located in the City and County of San Francisco. The residences must be a single-family, one-unit residence, approved condominiums and townhouses. If the appraisal report indicates there is a bonus room and finished room in the property, the room meets the above bedroom requirements, it will qualify as a bedroom.

2. Sale prices of the property cannot exceed the current maximum purchase price limits established by the MOH Director from time to time. The current maximum purchase price limit is $637,645.

3. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.

4. Properties containing Rental Units and "In-Law" units in addition to the unit to be purchased are not eligible for a CPMC DALP loan.

5. Borrower cannot purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

6. **Inspection Report Requirement for CPMC DALP** - All properties purchased with CPMC DALP downpayment assistance loan program must be inspected by a certified, independent third party home inspector at the Borrower's expense. The inspection report must be acceptable to the Borrower and submitted to MOH along with the CPMC DALP application. All reported deficiencies that pose immediate health and safety hazard must be corrected as a condition prior to any funding of a CPMC DALP Loan. The City of San Francisco will not be held liable for any misrepresentation, false claims or information contained in the inspection report. The City of San Francisco maintains the right to deny the loan, due to the condition of the property. If the first mortgage lender is requiring repairs to the property, you must include a copy of the clearance report prior to close of escrow.

   Violations or corrections may be referred to the Mayor's Office of Housing's Lead and Rehabilitation department for evaluation and program qualification - please visit MOH's rehabilitation website for program requirements – http://sf-moh.org/index.aspx?page=744

   All Borrowers must submit a signed and notarized of **General Release and Waiver of Liability** form along with the CPMC DALP application.

F. LOAN TERMS

All downpayment assistance loans must meet the following terms:

1. **Maximum Loan Amount**: The maximum eligible loan cannot exceed the lesser of the following amounts:

   (a) The Purchase Price of the property less the sum (i) of the maximum mortgage for which the Borrower can qualify.

   (b) Maximum CPMC DALP loan amount is up to $200,000 or 45% of the Purchase Price, whichever is less. Qualifying loan amounts are based upon a graduated scale

depending on income levels, adjusted by household size and debt to income ratio. At no time shall the CPMC DALP funds exceed 45% of the total Purchase Price. The maximum loan available per household depends on the household's income in relationship to the Area Median Income (AMI).

2. **Repayment:** The Downpayment Assistance Loan is deferred for forty (40) years from the date of the initial purchase or until the sale of the property or the rental of the property without the prior approval of the City (in accordance with specified temporary rental guidelines). As of the closing date of the sale or rental occurs, the loan is due and payable. The payoff amount due by Borrower is the principal amount of the loan plus the proportional share of the appreciation of the property.

   The proportional share shall be based on the ratio of the original downpayment assistance loan amount to the Purchase Price of the property or the fair market value of the property at the time of purchase; whichever is higher (both called hereafter the "Purchase Price"). At the time that the property is sold, rented, refinance or title transfer (except where title transfer is permitted under Section D.8), the City will determine the value of the property at that time (hereafter the "sale price") . The value of the property at sale is the contracted sale price or the Fair Market Value at the time of refinance.

   The amount of appreciation is determined by subtracting the original purchase price to the Borrower at the time of purchase from the sales price or fair market value at the time of sale or rental or refinance. The fair market value shall be the sales price or the appraised value of the property at the time of repayment, whichever is higher. If the property value has not increased, the Borrower shall be obligated to repay the principal amount of the loan only.

   Example of share of appreciation: If the Borrower receives the CPMC DALP loan in the amount of $200,000 with the purchase price of $450,000, the proportional share appreciation would be 44%.

$200,000 CPMC DALP Loan Amount	**=**	**44% of share Appreciation**
$450,000 Purchase Price		

3. **Prepayment Penalty:** There is no prepayment penalty associated with payment of these loans prior to the due date (sale or rental). However, prepayment must be in full; the loan cannot be partially repaid. If there if a prepayment, the amount due and owing will be determined by appraisal (to determine the amount of appreciation) reasonably acceptable to the MOH Director.

4. **Documentation and Security:** The following documents shall be executed by the Borrower to secure the loan after satisfaction of all requirements for funding:

   a. **Loan Commitment Letter** – ratified by Borrower, accepting the loan terms and conditions, expires in 45 days from the date of the commitment.

   b. **Deed of Trust** - executed at the close of the sale by the Borrower, for the benefit of the City and County of San Francisco to secure the Promissory Note.

c. **Promissory Note** - executed at the close of the sale by the Borrower for the benefit of the City and County of San Francisco and secured by the Deed of Trust.

5. **Compliance with Federal, State and Local Laws and Ordinances:** Program funds shall be used in accordance with Federal, State and Local Laws, regulations and directives as they apply.

G. GENERAL LOAN REQUIREMENTS AND POLICIES:

1. **Hazard Insurance:** For the life of the loan, each Borrower will be required to maintain hazard insurance, including fire and extended coverage with a loss payable endorsement to the City and County of San Francisco.

2. **Title Insurance Policy:** The outstanding principal balance of the downpayment assistance loan must be covered by an ALTA Lender's Policy of Title Insurance naming the City and County of San Francisco as it interests appear.

3. **Non-Discrimination and Privacy Requirements:** All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of the Borrowers, and should use the information received only for purposes of verifying the borrowers' eligibility for a downpayment assistance loan. It should be noted that all borrowers to the downpayment assistance program are subject to the requirements of the Sunshine ordinance and may have any records provided to the City become a matter of public information upon appropriate request.

H. SAMPLE CALCULATIONS OF ELIGIBILITY:

The following examples illustrate the possible scenarios of funding eligibility for various CPMC DALP amounts given the variables in levels of income, household size, property price, Available Assets, and primary loan amount.

Example :

Total Combined income for a family HH of 3 at 60% AMI:	$55,600
Purchase price of a property:	$450,000
Borrower Down Payment -5%	$22,500
First Mortgage – 51%	$227,500
CPMC DALP Loan Amount - 44%	$200,000
Interest Rate:	4.25%
Term:	30 yr
Total Front-End Ratio:	33.51%
Total CLTV:	95.00%

I. SAMPLE CALCULATION OF REPAYMENT OBLIGATION

The following examples illustrate the possible repayment scenarios at resale or refinance:

Example :

New FMV or Resale Price:	$500,000
Original Purchase Price:	(450,000)
Appreciation:	$ 50,000
Computation of City's Proportional Share City CPMC DALP ($200,000) / Original Sale Price ($450,000):	44%
Share of Appreciation 44% x $50,000:	$22,000
80% of the Share of Appreciation	$17,600
Original Principal Amount of CPMC DALP Loan:	$200,000
TOTAL REPAYMENT AMOUNT DUE:	$217,600

J. LENDER'S PROGRAM PROCEDURES

Eligible Borrowers apply for downpayment assistance loans through Participating Lenders. Participating Lenders may submit applications only after determining that the Borrower is eligible for a first mortgage and appears to be eligible for the CPMC DALP. Borrowers' applications must be completed and submitted with all required attachments, including a ratified purchase agreement for the purchase of a specific property.

The program's processing procedures are designed to coincide with the standard loan processing and underwriting procedures that are in place at most mortgage lending institutions. Recognizing that there are procedural variations among the lenders, the procedures outlined herein may vary somewhat from lender to lender. However, the lender, the City and the Borrower must complete all the steps of processing described in this manual.

The Mayor's Office of Housing will act as the Program Administrator. If the City habitually receives incomplete or incorrect applications from a particular lender, the City may discontinue the use of the lender as participating in the program.

CPMC DALP PROGRAM PROCESS

1. **Borrower's Responsibilities**:
   - ❑ Borrower will be required to complete an approved first-time homebuyer education course. A copy of Homebuyer Education Certificate must be included with the application package.
   - ❑ Enters into a purchase agreement.

- ❑ Applies to a Participating Lender for Primary Mortgage Loan.
- ❑ Provides a signed and dated Loan Application for a Downpayment Assistance Loan (CPMC DALP-1)
- ❑ Provides a signed and notarized copy of Income Tax Affidavit (CPMC-DALP 3)-if applicable
- ❑ Provides a signed and notarized copy of Unemployed Affidavit-if applicable
- ❑ Provides a signed and notarized copy of the First Time Homebuyer Affidavit (CPMC DALP-4).
- ❑ Provides a signed and notarized copy of the General Release and Waiver of Liability.
- ❑ Provides a signed Homeownership Counseling Consent Form
- ❑ Provides income verification documentation as required by the guidelines to establish program eligibility.
- ❑ Provides proof of Qualified CPMC Employee status
- ❑ Self-employed Co-Borrowers must provide a signed and notarized copy of Self-Employed Affidavit,
  - All Profit and Loss statements from the past 3 years (Schedule C)
  - A notarized estimated Profit and Loss statement for the current year
  - Copies of all invoices and payments made to the Co-Borrower as a part of self-employment in the current calendar year.
- ❑ Upon approval of downpayment assistance loan, the Borrower signs a copy of the City's loan commitment letter indicating acceptance.

2. **Lender's Responsibilities:**
   - Lender will ensure that participating loan officers receive training from MOH on a regular basis, and keep current on the products available to first time, low-moderate income homebuyers
   - Lender receives an application from a Borrower who has undergone counseling from a Homebuyer Education Counseling Agency
   - If a Lender receives an application from a Borrower who does not possess a Homebuyer Education Counseling Certificate, Lender will refer Borrower to a counseling agency to complete the workshop before submitting an application to the City
   - Lender will work with Borrower and counseling agency to apply for all available subsidies and programs for which the Borrower qualifies.
   - Performs Standard Lender underwriting process.

Submits to the City:

THE APPLICATION PACKAGE MUST BOUND IN LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

- ❑ Program Application received from Borrower *[CPMC-DALP 1]*
- ❑ Fully executed Lender's Certification *[CPMC-DALP 2]*
- ❑ Borrower's household income verification documentation (three current and consecutive pay stubs or provide a copy of current Profit and Loss Statement if self employed.
- ❑ Last three years of Federal Income Tax Returns (signed and dated), along with corresponding schedules and W-2s.
- ❑ Income Tax Affidavit (if applicable) *[CPMC-DALP 3]*

- ❑ First Time Homebuyer Affidavit *[CPMC-DALP 4]*
- ❑ Homebuyer Education Certificate
- ❑ Provides proof of Qualified CPMC Employee status
- ❑ Financial Statements (declaration of Assets)
- ❑ Gift letter (if applicable)
- ❑ Sign IRS Form 4506T.
- ❑ Preliminary Title Report
- ❑ Wire Instructions
- ❑ Receipt for Escrow Deposit
- ❑ Ratified Sales Agreement (including all counter offers).
- ❑ A copy of Inspection or Contractor Report of the Property
- ❑ The General Release and Waiver of Liability.
- ❑ Fair Market Value Appraisal
- ❑ First mortgage loan application (1003)
- ❑ First Mortgage Approval Letter and 1008 form from Lender
- ❑ A Copy of Good Faith Estimate (GFE) or Estimated Settlement Statement (HUD-1)
- ❑ A copy of Borrower's Credit Report

3. **City Responsibilities**:
   - Reviews loan package to ensure completeness of forms and substantiating documentation.
   - Evaluates Borrower eligibility.
   - MOH will forward a letter of approval (commitment letter) or denial to the lender (via email) within 10 working days of receipt of completed package. From the day of commitment, we will need another 7 working days for funding.
   - Borrower must sign the commitment letter and return to the City within 5 working days.
   - After we receive the commitment letter back, we will email the escrow instructions and loan documents to the title company.

   The following closing documents must deliver to MOH for review before funding:
   - The executed original City notes (CPMC DALP Note);
   - Certified copy of the executed City deeds (CPMC DALP Deed);
   - Certified copy of the Grant Deed;
   - Certified copy of the Requested for Copy of Notice of Default;
   - Certified copy of the First Deed of Trust;
   - Certified copy of the First Note;
   - Certificate of homeowner insurance Policy;
   - An estimated HUD-1 Settlement Statement; and
   - Any other liens behind the City loans.

All the above requested documents must deliver 4 working days in advance before request for funding.

Funds will be wired to the escrow account after we receive all closing documents requested in item 4 by 11 a.m., the fund will be wired in the 4th working days. If we receive the closing documents after 11 a.m. the fund will be wired on the 5th working day.

- Funding as specified in the commitment letter will be placed on reserve for a period of 45 days from date of the commitment. . If for any reason, escrow cannot close within the commitment period, the Mayor's Office of Housing need to be notified immediately.

- Monitors Borrowers throughout the life of the loan to ensure compliance with residency requirements.

All loan packages will be processed by the City according to the date of receipt. All required documents must be included in the application package. Incomplete packages will delay the processing of the application and may be returned for completion.

MOH's approval is final, if the first mortgage loan amount & term changes before close escrow, additional documents must be submitted to City for reassessment of the CPMC DALP loan amount.

CPMC-DALP# 12-_____
For MOH use only

MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
TRANSMITTAL FORM

YOU MUST BOUND THE APPLICATION IN A LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

A completed Transmittal Form Must Accompany Each Application

Property Address:	Name of Borrowers:
_____	_____
_____	_____

The following documents are enclosed as indicated by [X], all CPMC-DALP forms must include original signatures:

Left side of the folder:

- ☐ Preliminary Report (top)
- ☐ Ratified Purchase Agreement
- ☐ Wire Instructions
- ☐ Receipt for Escrow Deposit
- ☐ First Loan Application-1003 Form signed and dated by the borrower
- ☐ Underwriting Summary-1008 Form
- ☐ First Loan Approval/Commitment
- ☐ Copy of Good Faith Estimate (GFE) or Estimated HUD-1
- ☐ Copy of borrower's credit report
- ☐ Inspection or contractor report of the property
- ☐ Fair Market Appraisal (bottom)
- ☐ CPMC-DALP Transmittal Form (top)
- ☐ The CPMC-DALP application fee check for $_____(cashier's check)
- ☐ CPMC-DALP -1 Loan Application
- ☐ CPMC-DALP -2 Lender's Certification
- ☐ CPMC-DALP -3 Income Tax Affidavit (Must be submitted when applying from Jan 1 through Feb. 28 in lieu of tax return for previous year)
- ☐ CPMC-DALP -4 First Time Homebuyer Affidavit
- ☐ Proof of Qualified CPMC Employee status
- ☐ HomeownershipSF Consent Form
- ☐ Homebuyer Education Certificate
  - O Asian, Inc.
  - O MEDA
  - O CCCSSF
  - O SFHDC
  - O SFLGBT Center
- ☐ Borrower(s) three most current & consecutive pay stubs or VOE
- ☐ Unemployed Affidavit (if applicable)
- ☐ Self-Employed Affidavit (if applicable)
- ☐ Signed and dated-Profit and Loss Statement
- ☐ Complete set of past three year tax returns (signed and dated):
  - O 2011 + ___W2 Forms,
  - O 2010 + ___W2 Forms,
  - O 2009 + ___W2 Forms.
- ☐ Form 4506 – Request for copy of Tax Return.
- ☐ Last 3 months Bank Statements.
- ☐ Gift Letter (if applicable)
- ☐ General Release and Waiver of Liability

Right side of the folder:

LENDER NAME: _____ **EMAIL ADDRESS:** _____

BRANCH ADDRESS: _____

SUBMITTED BY -NAME: _____ **TITLE:** _____

SIGNATURE: _____ **DATE:** _____

TELEPHONE: _____ **FAX:** _____

CPMC-DALP Transmittal Form
Revised: 6/8/2012

CPMC-DALP-1

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP LOAN APPLICATION

PROPERTY ADDRESS_____ No. of Bedrooms:_____
(Property to be purchased)

1. **NAME OF BORROWER**_____
   OCCUPATION _____
   S.S. # _____
   HOME TEL. # _____
   WORK TEL. # _____
   Email:_____

2. **NAME OF CO-BORROWER** _____
   OCCUPATION _____
   S.S. # _____
   HOME TEL. # _____
   WORK TEL. # _____
   Email:_____

3. **Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other_____
   (Optional, for Statistical purposes)
4. **Co-Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other_____
   (Optional, for Statistical purposes)

5. **Household Size**_____ 6. **Head of Household: Female** ___ **Male** _____ 7. **Age of Head of Household** _____

8. **Name, Age and Relationship of all persons or dependents other than named borrowers who will occupy the residence:**

Name	Age	Relationship to Borrower	Dependent for Tax Purpose? (Y/N)

9. **CURRENT ADDRESS:** _____
   City State Zip Code

10. **PREVIOUS ADDRESSES** (If residing at the current address for less than 3 yrs., complete the following):

Address	Date of Residency		Indicate whether was owned, rented or "other"*
	Beginning	Ending	

* All answers of "owned" OR "other" must be fully explained; use additional paper if necessary.

11. **INCOME** (Gross Annual Income)

Income Sources	Borrower	Co-Borrower	Other HH Members over 18	Total
Base Employment Income				$
Overtime				
Commissions/Bonuses				
Interest/Dividends				
S. S. Payment/Pension				
Child Support/Alimony				
Other Income				
Total Household Income	$		$	$

12. DETAIL OF PURCHASE

A. Purchase Price	$
B. Est. Closing Costs	
C. Est. Prepaid Escrow	
Total (A+B+C)	$
D. Amount of First Mortgage	( )
E. Amount Requested From City Not to exceed $200,000 or 45% of purchase price whichever is less	( )
F. Other Financing	( )
G. Other Credits (explain)	( )
H. Amount of Cash Deposit	( )
I. Cash from Borrower	$

13. ASSETS

Description (List Checking & Savings accounts below)	Cash or Market Value
Checking or Savings Account #	$
Name of Bank, S & L, or Credit Union	
Address	
Checking or Savings Account #	
Name of Bank, S & L, or Credit Union	
Address	
Stocks & Bonds (Acct. No./Description)	
SUBTOTAL LIQUID ASSETS	
Other Assets	

14. DECLARATIONS

(please circle the answers below)

	Borrower		Co-Borrower	
• Are you Qualified CPMC Employee?	Yes	No	Yes	No
• Have you ever owned any property as a principal residence?	Yes	No	Yes	No
• Do you intend to occupy the property within 60 days of close of escrow?	Yes	No	Yes	No

If you answer "yes" to any of the following questions, please provide explanation.
(If necessary, attach additional paper)

• Are there any outstanding judgments against you?	Yes	No	Yes	No
• Have you been declared bankrupt within the past 7 years?	Yes	No	Yes	No

15. ACKNOWLEDGMENT AND AGREEMENT

THE UNDERSIGNED SPECIFICALLY ACKNOWLEDGE (S) AND AGREE (S) THAT: 1) THE LOAN REQUESTED BY THIS APPLICATION WOULD BE SECURED BY A SECOND DEED OF TRUST ON THE PROPERTY DESCRIBED HEREIN, 2) THE PROPERTY WILL BE USED SOLELY AS THE PRINCIPAL RESIDENCE OF THE UNDERSIGNED, 3) ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF OBTAINING A CALIFORNIA PACIFIC MEDICAL CENTER DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP) LOAN FROM THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWLINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF A CPMC-DALP LOAN OR WILL BE A DEFAULT UNDER A CPMC-DALP LOAN, AS APPLICABLE.

Borrower's Signature **Date** **Co-Borrower's Signature** **Date**

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-2

LENDER'S CERTIFICATION OF BORROWER ELIGIBILITY

1. _____("Lender") states the following:

The Lender has accepted and reviewed the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") application for:

_____(Borrower's Name)
Who shall be referred to as "Borrower(s)"

_____(Co-Borrower's Name)
Who shall be referred to as "Co-Borrower(s)"

_____(Current Address)

_____(City, Zip Code)

2. The application was made in connection with Borrower(s) for a first mortgage loan for the purchase of a Principle Residence home (the "Residence") located at:

_____ ***San Francisco, CA*** _____.
(Street Address of Residence to be purchased)

3. The Lender is considering a mortgage loan to the Borrower(s) in the amount of $_____.

4. The Lender has obtained the Borrower's Application Affidavit, true, complete and signed copies of Borrower's federal tax returns for the three-year period prior to_____ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is _____ bedroom single-family home, townhouse/condominium (please circle one) located in the City and County of San Francisco and is reasonably expected to become the Borrower's principal residence within sixty (60) days after the escrow is closed.

5. The purchase price for the residence is $_____ and said amount is within CPMC-DALP limits.

6. The Borrower(s) is/are first time homebuyer, the Borrower(s) has not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

7. The mortgage loan which the Borrower(s) will receive will not be used for acquisition or replacement of an existing mortgage on the residence.

8. No person who is a related person to the Borrower has an interest as a creditor in the mortgage loan to be made for acquisition of the Residence.

9. The Borrower's gross annual household income as defined below is $_____, which amount is within CPMC-DALP income limits. (Gross income listed should match income noted on Application Affidavit). Verification of income is attached.

10. The Lender has not directly or indirectly attempted to prohibit the Borrower(s) from seeking a mortgage loan from any potential lender, nor attempted to require the Borrower to seek a mortgage loan from a specific lender.

11. The Lender has charged the Borrower(s) only those reasonable fees as would be charged to a potential borrower applying for a mortgage loan not provided in connection with a CPMC-DALP loan.

12. Based upon reasonable investigation, the Lender has no reason to believe that the Borrower(s) has made any negligent, fraudulent or material misstatements in connection with the Borrower's application for a CPMC-DALP loan.

13. The Borrower has a good credit history. The lender had read and verified the Borrower's credit report, and has included a copy of the borrower's credit report with the CPMC-DALP application.

By: _____ Title: _____
(Signature of Lender Representative)

_____ Date: _____
Print Name

Attached:
_____Current Paystubs or Income Verification

_____Proof of Qualified CPMC Employee status

_____Profit and Loss Statement (self-employed)

_____Completed set of Past 3 year Tax Returns and W-2 Forms

Other_____

INCOME DETERMINATION

The gross income of a Borrower (or Borrowers) (as defined by Revenue Ruling 88-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (or Borrowers) and any other person over 18 years of age who is expected to live in the residence being financed. Income includes the income of both spouses.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-3

INCOME TAX AFFIDAVIT

1. I (We) the undersigned, being first duly sworn, state the following:

   (Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)

2. _____ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) _____ for the reason(s)below:

   Please supply documentation supporting the above explanation.

3. _____ I (We) hereby certify that the application in connection with which I (we) am (are) applying for a loan is occurring between **January 1 and February 28**, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (we) have for 20_____ was $_____ and do not exceed the income limits for the CPMC-DALP, attached is copy of the last paystub or W-2 form for prior tax year.

   (Check Paragraph 3 only if the closing for the financing in connection with your application for California Pacific Medical Center Downpayment Assistance Loan Program (CPMC-DALP) loan will occur between January 1 and February 28 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for a CPMC-DALP loan. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a CPMC-DALP loan may constitute a federal violation punishable by a fine and/or denial of my (our) application for a CPMC-DALP loan, or, if a loan has been funded prior to discovery of the false statement will constitute a default under the CPMC-DALP loan and my (our) loan is immediately due and payable, which may be in addition to any criminal penalty imposed by law.

_____ _____ _____
Date of Application Signature of Applicant Signature of Applicant

****

State of California
County of _____)

On _____ before me, _____,
(Here insert name and title of the officer)

Personally appeared _____,

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

Income Tax Affidavit-(CPMC-DALP-3)
Revised: 6/8/2012

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-4

FIRST TIME HOMEBUYER AFFIDAVIT

I (we) understand that I (we) am (are) eligible for the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco only if I (we) individually as Borrower(s) and any resident member of the household as defined by the CPMC-DALP Guidelines are "First Time Homebuyers". In order to qualify as a First Time Homebuyer, I (we) or any resident members of my household have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually; or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.

I (We) certify that I (we) are "First Time Home Buyers" consistent with the above guidelines and definitions as of

_____ (date of application)

_____ _____
Signature of Applicant Signature of Applicant

****

State of California

County of _____)

On _____before me, _____.
(Here insert name and title of the officer)

Personally appeared _____.

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

FTH Affidavit (CPMC-DALP-4)
Revised: 6/6/2012

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

HOMEOWNERSHIP COUNSELING CONSENT FORM

The Mayor's Office of Housing requires every adult household member applying for a City administered homeownership assistance program, in connection with the purchase of a residential unit, to:

1. Attend Pre-Purchase Homeownership workshop(s) for a cumulative minimum of 6 hours.
2. Meet with a counselor, from one of the City's participating, non-profit housing counseling agencies, to receive a one-on-one counseling session (see www.homeownershipsf.org for current list of approved housing counseling agencies.)
3. Receive a Certificate of Completion once requirements 1 and 2 noted above are completed.

I/We understand the Certificate of Completion requirement is in place to ensure first-time homebuyers are educated about the eligibility criteria and policies of the various City administered homeownership assistance programs AND:

- Assessing readiness to buy a home
- Financing a home
- Maintaining a home and finances
- Budgeting and credit
- Selecting a home
- Home-buying process

I/We understand and authorize the Mayor's Office of Housing, its participating non-profit housing counseling agencies and HomeownershipSF to exchange information about my application, including information about my/our final settlement statement, which shall be used for statistical information or funder reports only.

I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for additional services including post purchase counseling which includes budgeting, home maintenance and foreclosure prevention topics. I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for referral/counseling services in case of any financial hardship or loan default.

Name as it will appear on Title:	Signature(s):	Date:

Property to be purchased: (Enter N/A if not yet identified)

Street No.	Street Name:	Unit No.:	San Francisco, CA	Zip code:
			San Francisco, CA	

1 S. Van Ness Ave.• San Francisco, California 94103 • (415) 701-5500 FAX (415) 701-5501

GENERAL RELEASE AND WAIVER OF LIABILITY

I hereby acknowledge that I am applying for California Pacific Medical Center-Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing.

By participating in this program, I hereby waive any right to recover from, and forever release and discharge City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with, any injury, loss or damage to any person or property in or about the property located at _____, San Francisco, CA 94_____, that I am about to purchase (the "Property") by or from any cause whatsoever including, without limitation, (i) any act or omission of persons performing work on the Property; (ii) any act or omission of persons occupying adjoining premises or any part of the building adjacent to or connected with the Property, (iii) theft, (iv) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (v) Property defects, and (vi) any other acts, omissions or causes.

In connection with the foregoing release, I expressly waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

I hereby assume full responsibility for all liability and all risk of injury or loss, in connection with the Property.

I affirm that the information I have provided is true; that I have reviewed the rules and regulations of the CPMC-DALP. I further understand that the City and County of San Francisco reserve the right to take appropriate civil and/or criminal action against me for any proven fraudulent use of this CPMC-DALP.

I agree that I have read and understand this General Release and Waiver of Liability.

Print Name: _____ Signature: _____ Date: _____

Print Name: _____ Signature: _____ Date: _____

****

State of California
County of _____)

On _____ before me, _____
(Here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Notary Seal)
Signature of Notary Public

EXHIBIT H

Public Improvements

The Public Improvements described in this Exhibit H, are more particularly described in Schedule A hereto. CPMC shall fund or complete the Public Improvements and other Community Commitments, and City shall complete Public Improvements and undertake such other obligations funded by CPMC, each as described below, subject to the terms and conditions of this Exhibit and the rest of the Development Agreement. The Parties agree to cooperate with one another to complete the Public Improvements as and when contemplated by this Exhibit, and to undertake all actions or proceedings reasonably necessary or appropriate to ensure such completion, provided that nothing in this Exhibit obligates the City to spend any sums of money or incur any costs except for sums paid by CPMC to the City. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit H.

1. **Cathedral Hill Campus Area Public Improvements.**

   a. City shall determine the priority and phasing plan for the Cathedral Hill Campus Area Public Improvements set forth in Section I.A of Schedule A of this Exhibit (the "**CHAP Improvements**"), and City shall, acting through DPW, prepare final design, specifications and construction plans for the CHAP Improvements. City shall provide reasonable opportunities for the public to comment on the priority and phasing plans and on the design details, in accordance with City's regular processes, and provided that City shall have the sole authority to determine the program for priority and phasing, and to determine the final design for the CHAP Improvements.

   b. City shall complete all required reviews and obtain or provide all required permits, approvals, authorizations, and access rights necessary to construct the CHAP Improvements. If and to the extent required, CPMC shall provide access to its property. Subject to the foregoing reviews and Section 5 of this Exhibit, City may construct or cause the CHAP Improvements to be constructed. City shall have sole authority to determine when and whether to construct the CHAP Improvements including the schedule and sequence thereof.

   c. If the Planning Director reasonably determines that any of the CHAP Improvements cannot be completed, then the Planning Director, after consultation with CPMC, OEWD and the City Attorney's Office, shall have the right to designate different improvements for completion by the City, provided in no event will CPMC be required to pay any amount in excess of the CHAP Contribution Limit defined in Section 5 of this Exhibit. In selecting any alternative improvement, the Planning Director shall attempt to replicate, to the extent reasonably possible, the public benefits of the CHAP Improvement that will not be completed.

2. **St. Luke's and Davies Campus Area Public Improvements.**

a. The St. Luke's Campus Area Public Improvements and the Davies Campus Area Public Improvements set forth in Schedule A (Sections II and III) are collectively referred to as the "STLD Improvements". The STLD Public Improvements are adjacent to or in close proximity to the St. Luke's Campus and Davies Campus, respectively.

(i) CPMC shall prepare final design, specifications and construction plans for the STLD Improvements for submittal to City, and City shall have sole authority to review and approve improvement plans for the STLD Improvements consistent with the descriptions in Schedule A;

(ii) CPMC shall obtain all required permits, approvals, authorizations, and access rights necessary to construct the STLD Improvements; and

(iii) Provided that City provides the required permits, approvals, authorizations and access rights that are required from the City, and CPMC has been able to obtain all required access rights, permit approvals and authorizations, CPMC shall construct or cause the STLD Improvements to be constructed:

A. For the St. Luke's Campus Area Public Improvements in accordance with the phasing described in Schedule A of this Exhibit; and

B. For the Davies Campus Area Public Improvements prior to issuance of a temporary certificate of occupancy for the Neurosciences Building.

C. Except as otherwise noted, where reasonably practicable, CPMC shall construct the STLD Improvements concurrently with respective Project related streetscape and landscape improvements, described in Exhibit B of the Agreement.

(iv) CPMC shall take all such actions as are required of CPMC to satisfy the foregoing conditions including, without limitation, the filing of requests for approvals, permits and authorizations for the STLD Improvements in a manner as and when needed to complete the STLD as contemplated above. City shall promptly review and process applications and permits in accordance with the requirements of the Agreement. If any of the STLD Improvements cannot be completed for any reason, then CPMC shall construct alternative improvements identified by City within the City's streetscape program of not greater cost that is designed to replicate the benefits of the STLD Improvements that cannot be completed within City.

b. CPMC shall pay to the City, in the manner described in Section 4 below, the sum of Twenty Five Thousand Dollars ($25,000), which will be placed by the Controller in a separate account or subaccount, for use by the City to help defray the cost of design and construction of the Youth Play Area improvements in Duboce Park.

3. **Public Improvements Costs.** CPMC shall pay for the costs that arise from or are related to construction of the Public Improvements ("**Public Improvements Costs**") subject to the limitations in Section 5 below. Public Improvements Costs means: (i) any costs associated with analyzing (including City environmental review of the Public Improvements, as and to the extent required), reviewing, revising, negotiating or approving improvement plans, approvals or permits; (ii) engineering and architectural fees; (iii) plan check, permit, licensing, testing and inspection costs, contractors fees and general conditions, sales and use taxes; and (iv) all materials, equipment, supplies and labor necessary, used, acquired or reserved to complete the construction of any Public Improvements, incurred after the Effective Date of the Agreement.

4. **Deposits.** CPMC shall make the following payments to City for the purposes identified below. All payments shall be made by check payable to the City and County of San Francisco and delivered to the Controller (Ref.: CPMC Public Improvements) at Office of the Controller, City Hall, Room 316, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102, with a copy to OEWD at City Hall, Room 448. The Controller will place the funds in a separate account or subaccount for use by DPW or the PUC as set forth below. OEWD shall coordinate with DPW and the PUC on the timing and use of the funds. If there is any dispute between DPW and the PUC on which department will have first access to existing funds in the account or subaccount, such dispute shall be resolved by the Director of OEWD following consultation with the affected City Departments and the City Attorney's Office.

a. Eight Million Dollars ($8,000,000) to DPW (except for the funds designated for pedestrian lighting set forth in Schedule A (Section I), which will be paid to the PUC) for Public Improvement Costs for the CHAP Improvements and other Community Commitments described below (the "**CHAP Improvement Funds**"), as follows:

(i) One Hundred Fifty Thousand Dollars ($150,000) by the Effective Date of the Agreement;

(ii) Three Hundred Fifty Thousand Dollars ($350,000) by the date the Approvals are Finally Granted;

(iii) Two Million Five Hundred Thousand Dollars ($2,500,000) by the date of Commencement of Construction of the Cathedral Hill Hospital;

(iv) Two Million Five Hundred Thousand Dollars ($2,500,000) by the first anniversary of the date of Commencement of Construction of the Cathedral Hill Hospital; and

(v) Two Million Five Hundred Thousand Dollars ($2,500,000) by the second anniversary of the date of Commencement of Construction of the Cathedral Hill Hospital.

b. Two Hundred Thousand Dollars ($200,000) to OEWD for a Tenderloin community organization pilot "**Safe Passage Program**" as more particularly described in Section 6 of this Exhibit (the "**Safe Passage Grant**"), within thirty (30) days after the date the Approvals are Finally Granted;

c. One Hundred Fifty Thousand Dollars ($150,000) to OEWD to assist the formation process of a Lower Polk Community Business District, as more particularly described in Section 6 of this Exhibit (the "**CBD Funds**"),within thirty (30) days after the date the Approvals are Finally Granted, provided that CPMC may elect in its sole discretion to pay some or all of such amount on an earlier date; and

d. One Million Dollars ($1,000,000) to OEWD for either a seed grant for the Lower Polk Community Business District ("**CBD**") or for pedestrian safety or streetscape improvements (the "**Seed Grant**"), as more particularly described in Section 6(d) of this Exhibit, as follows:

(i) Five Hundred Thousand Dollars ($500,000) by the first anniversary of the date of Commencement of Construction of the Cathedral Hill Hospital, but not before either formation of the Lower Polk CBD or Completion of Construction of the Cathedral Hill Hospital, whichever occur first; and

(ii) Five Hundred Thousand Dollars ($500,000) by the second anniversary of the date of Commencement of Construction of the Cathedral Hill, but not before either formation of the Lower Polk CBD or Completion of Construction of the Cathedral Hill Hospital, whichever occur first.

The deposits for Public Improvement Costs described in Subsection "a" of this Section above, and the Safe Passage Grant, the CBD Funds and the Seed Grant, are hereafter collectively described as the "**Funds**".

e. The Funds will be held by City for use to fund the CHAP Improvements and the specified Community Commitments. The Funds will be deposited into a segregated account or subaccount for the purposes described in Subsections (a)-(d) above. Any interest earned on Funds shall remain in the designated account and used for the purposes identified in this Exhibit, and shall not be transferred to the City's General Fund. The City shall, at CPMC request, provide CPMC with a periodic accounting of payments made and of Funds remaining in each account.

5. **Payment of Public Improvement Costs.**

a. City will use CHAP Improvement Funds for Public Improvement Costs incurred by the City for the CHAP Improvements. City may withdraw CHAP Improvement Funds for the CHAP Improvements as needed to pay for CHAP Improvements Public Improvement Costs.

b. The total amount of CPMC payments for CHAP Improvements Costs shall not exceed the Eight Million Dollar ($8,000,000) aggregate total Contribution Limit amount identified for the CHAP Improvements in Schedule A (the "**CHAP Contribution Limit**"); provided the City shall have the right to designate more or less to each line item for the CHAP Improvements identified in Schedule A, and the City shall not be required to complete any CHAP Improvements for which there are no CHAP Improvement Funds remaining.

c. CPMC shall have no obligation for Public Improvement Costs above the CHAP Contribution Limit for CHAP Improvements. The City shall be responsible for all costs associated with the CHAP Improvements undertaken by the City that exceed the CHAP Contribution Limit for the CHAP Improvements, provided that City shall have no obligation to construct CHAP Improvements or to spend any City funds thereon beyond the CHAP Contribution Limit for the CHAP Improvements.

d. The costs listed in Schedule A (Sections II and III) for the STLD Improvements are estimates only. CPMC shall pay for all costs, including the City's Costs, to complete the STLD Improvements regardless of whether the costs exceed the estimated amounts identified in Schedule A. If CPMC fails to complete the STLD Improvements, or any of them, as required, City may, in addition to all other remedies under the Agreement, and after providing notice and an opportunity to cure as set forth in Section 9.2 and 9.3 of the Agreement, complete the installation of such improvements and CPMC shall reimburse the City for all costs incurred by the City to complete such work.

6. **Tenderloin and Lower Polk Neighborhood Contributions.**

a. The Safe Passage Grant shall be used by City to develop and implement a pilot "**Safe Passage Program**", creating a designated safe walking route for children through the Tenderloin connecting schools with organizations that provide after school programming and service to children and their families, which pilot program is approved by or on behalf of the Director of Department of Public Works on behalf of City. The City, acting through OEWD, shall enter into a grant agreement with a nonprofit organization selected by OEWD, to create and implement the Safe Passage Program.

b. The CBD Funds will be used by the City to assist in the formation of a Lower Polk CBD, including, without limitation, legal fees, formation documents, and community outreach. CBD Funds will be used by the City only for such

purposes, provided that (i) following the formation of the Lower Polk CBD, the City shall deliver any excess CBD Funds to the Lower Polk CBD for permitted uses as determined by the Lower Polk CDB, and (ii) following an unsuccessful vote on the formation of the Lower Polk CBD, the City shall spend any excess CBD Funds on improvements in or around the Lower Polk neighborhood. The City may enter into one or more professional service contracts, grant agreements, or other contracts to perform work set forth above.

c. CPMC agrees to cooperate in the formation of a Lower Polk CBD, and to vote in favor of formation. Following formation, CPMC shall participate as a full member and pay appropriate dues to the Lower Polk CBD as specified in the formation documents established for the Lower Polk CBD.

d. If the Lower Polk CBD has been established before the Completion of Construction of the Cathedral Hill Hospital, the City shall provide any remaining part of the Seed Grant to the Lower Polk CBD to be used at the discretion of the CBD Board of Directors for pedestrian safety or other streetscape improvements in the Lower Polk area consistent with the purposes of the Lower Polk CBD and applicable law. If, as of the Completion of Construction of the Cathedral Hill Hospital, the Lower Polk CBD has not been established, the City shall use the Seed Grant to fund pedestrian safety or streetscape improvements in the Lower Polk area, as such improvements are finally determined by the City after consultation with CPMC and interested Lower Polk neighborhood representatives.

7. **Termination of Accounts.** The accounts for Funds described above shall terminate upon the earlier of (i) payment by CPMC and expenditure by the City of the respective Funds, or (ii) the completion of the Public Improvements to be completed by CPMC and the performance of the other identified Community Commitments, each subject to requirements and limitations of Section 10.4 of the Agreement. In the event of a Default by City that results in CPMC being unable to construct any portion of the Project, unencumbered Funds held by the City shall be returned to CPMC.

8. **Board Authorization and Appropriation.** By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes the Controller and City Departments to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate, interest-bearing accounts as contemplated in this Exhibit, and to appropriate the funds, including interest and earnings, for the purposes described in this Exhibit for the term of the Agreement. Any interest earned on the accounts created under the terms of this Exhibit shall remain in the designated account for use consistent with the identified purpose and shall not be transferred to the City's General Fund.

Schedule A

I. Cathedral Hill Campus Area

A. CHAP Improvements		Public Improvements Costs
1.	Conversion of Eddy and Ellis from one way to two way traffic between Leavenworth and Mason.	$3,500,000
2.	Install corner bulbs and related crosswalk improvements and signal modifications at specified corners.	$750,000
3.	Pedestrian lighting.	$3,750,000
	CHAP Contribution Limit:	**$8,000,000**

Other Cathedral Hill Campus Area Community Commitments		Other Costs
1.	CBD Seed Grant for Lower Polk Neighborhood Public Improvements	$1,000,000
2.	CBD Funds	$150,000
3.	Safe Passage Grant	$200,000
	Total Other:	**$1,350,000**

II. St. Luke's Campus Area – Public Improvements

	St. Luke's Area Public Improvements	Phase	Public Improvements Estimates
1.	Implementation of Improvement A-6.24 in the Mission Streetscape Plan along the west side of Valencia St. between Cesar Chavez and Duncan (This improvement would widen the western sidewalk of Valencia from approximately 10' to approximately 20' from Cesar Chavez to Duncan. Includes trees, bulbouts at southwest corner of Valencia and Duncan.	4	$1,080,000
2.	Implementation of Improvement A-6.24 in the Mission Streetscape Plan (Permanent upgrades to Traffic Diverter and Plaza) at the intersection of San Jose Ave., Guerrero St., and 28th St. ("Guerrero Park") These improvements would include site demolition construction of new curb roughly along the perimeter of the existing park, installation of pavers, raised planter beds, new trees and landscaping, irrigation, and lighting.	3	$574,000
3.	Upgrade of St. Luke's campus perimeter lighting along Valencia between Cesar Chavez and Duncan.	4	$200,000
4.	Upgrade of St. Luke's campus perimeter fencing.	4	$130,000
5.	Pedestrian bulb-out at 27th & Guerrero (southeast & northeast corners). Improvement A-6.2.14 in the Mission Streetscape Plan 2010.0878E.	1	$140,000
6.	Median extension/thumbnail at Guerrero between Duncan and 28th Street. Improvement A-6.2.14 in the Mission Streetscape Plan 2010.0878E.	1	$70,000
7.	Median extension/thumbnail at Guerrero between Duncan and 28th Street. Improvement A-6.2.14 in the Mission Streetscape Plan 2010.0878E.	1	$43,000
8.	Pedestrian lighting on sidewalk along Duncan between Valencia and San Jose.	4	$132,000
9.	Pedestrian lighting on sidewalk along San Jose between Cesar Chavez and Duncan.	4	$112,000
10.	Pedestrian lighting on sidewalk along 27th between Guerrero and San Jose.	4	$82,000
11.	Repair retaining wall and 1912 Building stairs and related landscape area upgrade.	4	$286,000
12.	Pocket Park at Valencia, Duncan Streets and Tiffany Avenue. Improvement A-6.2.4 in the Mission Streetscape Plan 2010.0878E.	4	$218,000
13.	Pedestrian lighting along Cesar Chavez between Valencia and Guerrero.	1	$233,000
	Total – All Public Improvements:		**$3,300,000**

Phasing:

(1) Upon Completion of Construction of St. Luke's Hospital: Projected 2016
(2) Demolition of existing tower, plaza completion and interim use on existing hospital site (1970 Building): Projected 2018
(3) Completion of Construction Medical Office Building: Projected 2020
(4) Upon Completion of Construction of upgrades to 1912 Building plazas and Valencia Street stairs: Projected 2020

III. Davies Campus Area – Public Improvements

	Davies Campus Area Public Improvements	Public Improvements Estimates
1.	Crosswalk and stop line striping; Noe / Duboce intersection	$4,000
2.	Pedestrian walkway improvements at Duboce Street near intersection with Noe, south side (1 location) includes: 301f new painted steel fencing, 2 signs, striping, 2 new light fixtures and new electrical service.	$76,000
3.	Tree island improvements, maintenance and replacement. Includes, at 2 locations, demolition of existing curb, 170 lf of new curb, asphalt patch, protection and reuse of existing mature trees, new grates and/or permeable ground cover.	$78,000
4.	Additional street trees and other tree work; east side of Noe Street. Includes: 6 new street trees, sawcut basins, new tree grates, $20K allowance for maintenance of existing mature trees and repair of existing sidewalk damage.	$125,000
5.	Pedestrian walkway improvements at 14th Street near intersection with Noe, north side (1 location). includes: 301f new painted steel fencing, 2 signs, striping, 2 new light fixtures and new electrical service.	$76,000
6.	Sidewalk flare-downs at 14th / Noe intersection (3 locations; not including NW corner which is included in MOB project). Includes: sawcut & demo, new ADA-compliant flare-downs, curb & gutter.	$35,000
7.	General improvements: replacement of perimeter fence; add pedestrian scale lighting at all entrances.	$56,000
	Total – All Public improvements:	**$450,000**
	Contribution	**Amount:**
1.	Payment to defer City's costs of construction Youth Play Area in Duboce Park.	**$25,000**
	TOTAL:	**$475,000**

EXHIBIT I-1

Davies Campus Community Visioning Plan

This Exhibit I-1 describes the community visioning plan for the Long-Term Project at the Davies Campus. The text in Sections 1 and 2 is provided for context only. It summarizes the primary activities that CPMC is currently contemplating at the Davies Campus. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit I-1.

1. Planning Context.

The Davies Campus has housed medical facilities since the 1890s, with the present day hospital reconstructed on the site in 1968. CPMC's Near-Term Projects include demolition of the existing 75-space surface parking lot and removal of associated vehicular access, and construction of the Neuroscience Institute building, an approximately 46,006 gsf, four-story building which may include, but is not limited to, medical office use, expanded care and services for patients with neurological conditions, enhanced rehabilitation services to allow patients to receive same-site treatment and follow-up care, ambulatory care, pre-and post-operative care, and a pedestrian drop-off area.

2. Long-Term Project

The following is the Long-Term Project that CPMC is contemplating on the Davies Campus and may undertake depending on medical need and other factors. In approximately 2018, CPMC proposes to demolish the existing 283-space parking garage at 14th and Castro Streets to accommodate construction of the Castro Street/14th Street MOB, an approximately 80,900 gsf, three-story medical office building, including but not limited to retail, diagnostic and treatment uses, and approximately 184,000 sf of parking use in four below grade levels totaling approximately 490 parking spaces (replacement of the existing 283 spaces in the 14th and Castro Streets garage plus construction of approximately 207 new parking spaces).

Attachment 1 is a concept plan, attached for informational purposes only and prepared with input from interested community members, depicting anticipated general building location, streetscape improvements and pedestrian and vehicular circulation associated with the current plans for the Long-Term Project.

3. Davies Campus Community Advisory Group.

To facilitate community input regarding planning for the Long-Term Project at the Davies Campus, CPMC will establish a Davies Campus Community Advisory Group ("Davies CAG") as set forth below.

Purpose and Functions. The Davies CAG is the community advisory body charged with providing input and feedback to CPMC regarding Long-Term Project design and planning activities related to the established program and uses at the Davies Campus, with particular attention to the following:

a. The public realm and streetscape design
b. Height, bulk, and architectural design of new buildings
c. Construction-phase planning
d. Vehicle and pedestrian circulation
e. Parking

Davies CAG Members; Term. Within six (6) months after Approvals and any Subsequent Approvals for CPMC's Near-Term Projects have been Finally Granted, CPMC will appoint the Davies CAG. It shall consist of up to eleven (11) members representing diverse interests such as resident homeowners, local merchants, established neighborhood groups and health care professionals. Membership is subject to considerations such as interest of the parties and covering a diversity of interests, and is expected to change over time. Current groups from which membership is expected to be drawn include, but are not limited to:

a. Buena Vista Neighborhood Association
b. Castro/Upper Market Community Benefit District
c. Duboce Triangle Neighborhood Association
d. Eureka Valley Neighborhood Association
e. First Christian Church
f. Friends of Duboce Park
g. Harvey Milk Rec Center
h. Lower Haight Merchant and Neighborhood Association
i. McKinley Elementary School
j. Merchants of Upper Market and Castro
k San Francisco LGBT Community Center

One member will be selected from each of the above groups or successor groups that may be designated from time to time. Where several individuals represent one group, that group must identify one member to represent it on the Davies CAG. Each selected member shall represent only the group for which such member is designated, regardless of whether he or she is also affiliated with other groups. All members must live, work, own property or own a business in San Francisco.

Meetings. Once the Davies CAG is established, CPMC and Davies CAG members will agree to a regular meeting schedule, with a frequency of not less than quarterly or more than monthly. The Davies CAG may also conduct special meetings as needed. All meetings will be open to the public. The agendas for meetings will be set jointly by CPMC and Davies CAG leadership. CPMC will facilitate and provide logistical support for all meetings, including scheduling and providing meeting space if needed.

4. CPMC/Davies CAG Visioning Process.

CPMC and the Davies CAG will implement the following or another similar process to address major (i) master planning/Campus-wide, (ii) Campus sub-area, or (iii) building-specific planning issues that may arise from time to time regarding the Long-Term Project. At all phases, CPMC and/or the Davies CAG may invite City representatives to participate in the meetings. The Planning Department may assign staff members to participate in Davies CAG meetings as appropriate, however, the participation of Planning Department staff shall not take the place of or supersede the City's obligation to review and critique CPMC's Long-Term Project at the Davies Campus and to conduct meetings and notifications in accordance with the Planning Code and CEQA.

Phase I: Context, Constraints and Opportunities (information provided by CPMC and its consultants regarding existing conditions, fixed program elements and other constraints as well as systemwide healthcare delivery goals and areas of opportunity for public input and joint planning activities).

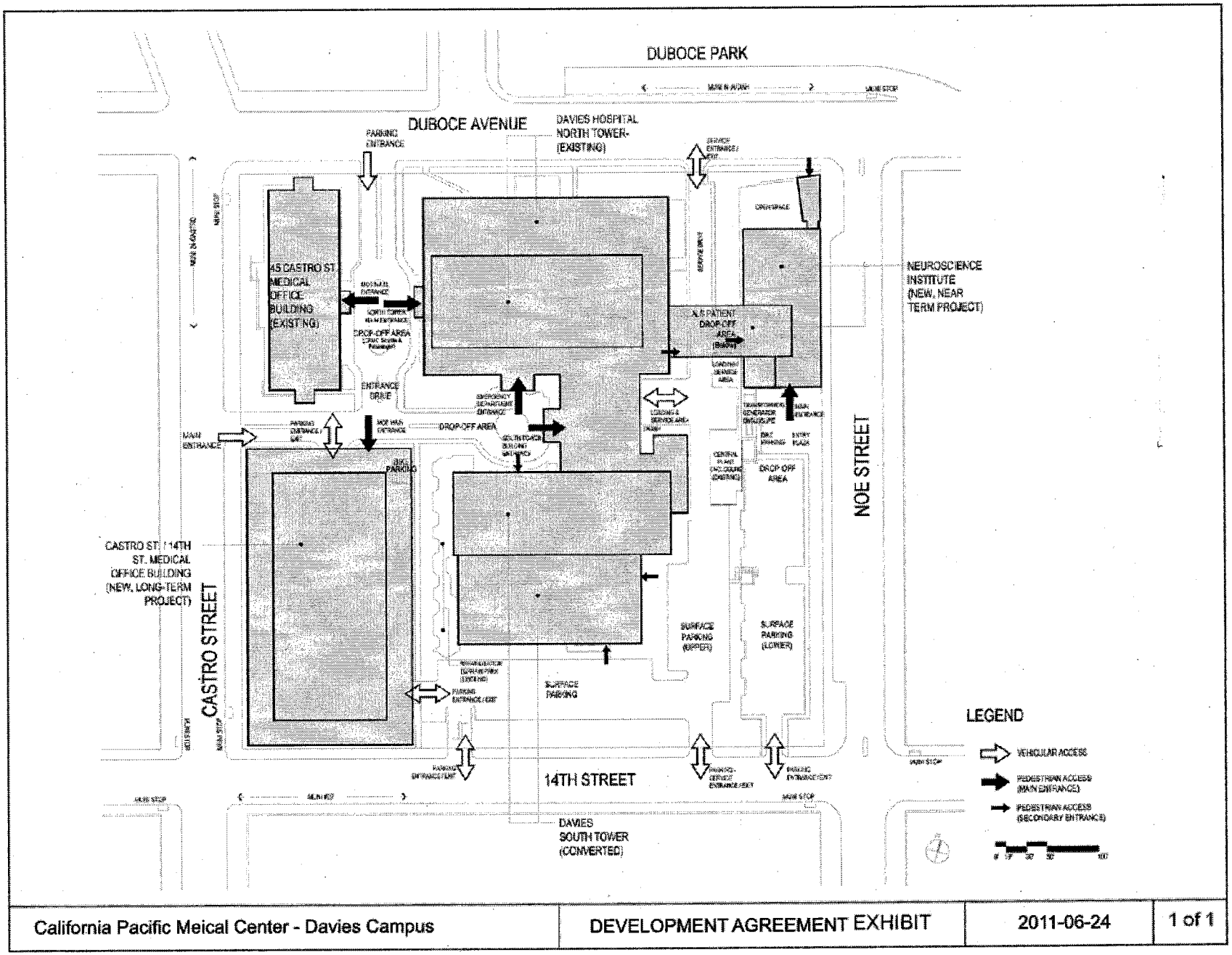
Phase II: Public Visioning Process (Davies CAG input, site analysis and review of key planning documents, CPMC preparation of additional materials as needed to begin community dialogue on design preferences and priorities).

Phase III: Design Framework (Design charrettes and meetings regarding opportunity areas and design framework; CPMC preparation of additional materials as needed, including summary of emerging design strategies and preliminary design framework materials).

Phase IV: Final Recommendation: Preparation of a final report including a description of the process and findings and recommendations of the Davies CAG (Finalize design framework documents, prepare final materials reflecting recommendations from Davies CAG).

5. Term.

This Exhibit I-1 shall remain in effect until the earlier of (i) the expiration of the Term of the Agreement, or (ii) issuance of the first construction document for the Long-Term Project on the Davies Campus.



California Pacific Meical Center - Davies Campus	DEVELOPMENT AGREEMENT EXHIBIT	2011-06-24	1 of 1

EXHIBIT I-2

Pacific Campus Community Visioning Plan

This Exhibit I-2 describes the community visioning plan for the Long-Term Projects at the Pacific Campus. The text in Sections 1 and 2 is provided for context only and summarizes the primary activities that CPMC is currently contemplating at the Pacific Campus. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit I-2.

1. Planning Context.

The Pacific Campus, original home to Stanford Hospital and then Pacific Presbyterian, has housed medical facilities since 1858, and a hospital since 1895. CPMC's Near-Term Projects include construction of two state-of-the-art acute care hospitals, one at the St. Luke's Campus and the other at the new Cathedral Hill Campus, and a major renovation at the Davies Campus. As part of the Near-Term Project implementation, after completion of the proposed Cathedral Hill Hospital in approximately the end of 2017, all of the inpatient acute-care and Emergency Department functions at the existing 2333 Buchanan Street Hospital will be transferred to the Cathedral Hill Hospital. This transfer will permit the renovation and reuse of the 2333 Buchanan Street Hospital as the Ambulatory Care Center (ACC). In approximately 2019, when the ACC is expected to be substantially complete, CPMC will relocate other uses on the Pacific and California Campuses to the ACC. The ACC uses could include, by way of example only, outpatient care, diagnostic and treatment services, Alzheimer's residential care, medical support services, hospital administration and a cafeteria.

2. Long-Term Projects

After uses have been transferred to the ACC, the Stanford Building and the 2324 Sacramento Clinic are proposed to be demolished to accommodate the proposed Webster Street/Sacramento Street Underground Parking Garage and ACC Addition. The Underground Parking Garage will be constructed first, and then in approximately 2020, CPMC will commence construction of the ACC Addition on the central portion of the campus, immediately west of the ACC building. ACC Addition uses could include, by way of example only, educational and conference space, outpatient space, support space, diagnostic and treatment space, medical offices and outpatient care.

In a similar timeframe as the ACC Addition, CPMC proposes to demolish the Annex MOB and Gerbode Research Building and the Clay Street Tunnel, and begin construction of the North-of-Clay Aboveground Parking Garage. The vacant building at 2018 Webster Street is proposed to be used as administrative offices.

Several new or relocated access points are proposed for the Pacific Campus's existing and new buildings and parking garages via California, Buchanan, Sacramento, Webster, and Clay Streets.

Detailed streetscape and landscape plans will be developed as the design for the buildings advances.

Attachment 1 is a concept plan, attached for informational purposes only and prepared with input from interested community members, depicting anticipated general building location, streetscape improvements and pedestrian and vehicular circulation associated with the current plans for the Long-Term Projects.

3. Pacific Campus Community Advisory Group.

To facilitate community input regarding planning for the Long-Term Projects at the Pacific Campus, CPMC will establish a Pacific Campus Community Advisory Group ("Pac CAG") as set forth below.

Purpose and Functions. The Pac CAG is the community advisory body charged with providing input and feedback to CPMC regarding Long-Term Project design and planning activities related to the established program and uses at the Pacific Campus, with particular attention to the following:

a. The public realm and streetscape design
b. Height, bulk, and architectural design of new buildings
c. Construction-phase planning
d. Vehicle and pedestrian circulation
e. Parking

Pac CAG Members; Term. Within six (6) months after Approvals and any Subsequent Approvals for CPMC's Near-Term Projects have been Finally Granted, CPMC will convene an initial meeting of parties who have previously expressed interest in the planning process for the Pacific Campus to discuss interest in and the composition of the Pac CAG. Promptly thereafter, CPMC shall appoint the Pac CAG. It shall consist of up to eleven members representing diverse interests such as resident homeowners, local merchants, established neighborhood groups and health care professionals, with priority given to representatives that serve interests located most proximate to the Pacific Campus. Membership is subject to considerations such as interest of the parties and covering a diversity of interests, and is expected to change over time. Current groups from which membership is expected to be drawn include, but are not limited to:

a. Representative from each of the 6 abutting blocks
b. Pacific Heights Residents Association
c. Pacific Professional Building Association
d. Arthur A. Dugoni School of Dentistry
e. Congregation Sherith Israel
f. Fillmore Merchants
g. Cavalry Presbyterian Church
h. Friends of Alta Plaza
i. Friends of Lafayette Park
j. Japantown Merchants / Japantown Task Force

The list is generally ordered from those groups most physically proximate to the campus to those least proximate. One member will be selected from each of the above groups or successor groups that may be designated from time to time until the 11 spots have been filled. Where several individuals represent one group, that group must identify one member to represent it on the Pac CAG. All members must live, work, own property or own a business in San Francisco.

Meetings. Once the Pac CAG is established, CPMC and Pac CAG members will agree to a regular meeting schedule, with a frequency of not less than quarterly or more than monthly. The Pac CAG may also conduct special meetings as needed. All meetings will be open to the public. The agendas for meetings will be set jointly by CPMC and Pac CAG leadership. CPMC will facilitate and provide logistical support for all meetings, including scheduling and providing meeting space if needed.

4. CPMC/Pac CAG Visioning Process.

CPMC and the Pac CAG will implement the following or another similar process to address major (i) master planning/Campus-wide, (ii) Campus sub-area, or (iii) building-specific planning issues that may arise from time to time regarding the Long-Term Projects. At all phases, CPMC and/or the CAG may invite City representatives to participate in the meetings. The Planning Department may assign staff members to participate in Pac CAG meetings as appropriate, however, the participation of Planning Department staff shall not take the place of or supersede the City's obligation to review and critique CPMC's Long-Term Projects at the Pacific Campus and to conduct meetings and notifications in accordance with the Planning Code and CEQA.

Phase I: Context, Constraints and Opportunities (information provided by CPMC and its consultants regarding existing conditions, fixed program elements and other constraints as well as systemwide healthcare delivery goals and areas of opportunity for public input and joint planning activities).

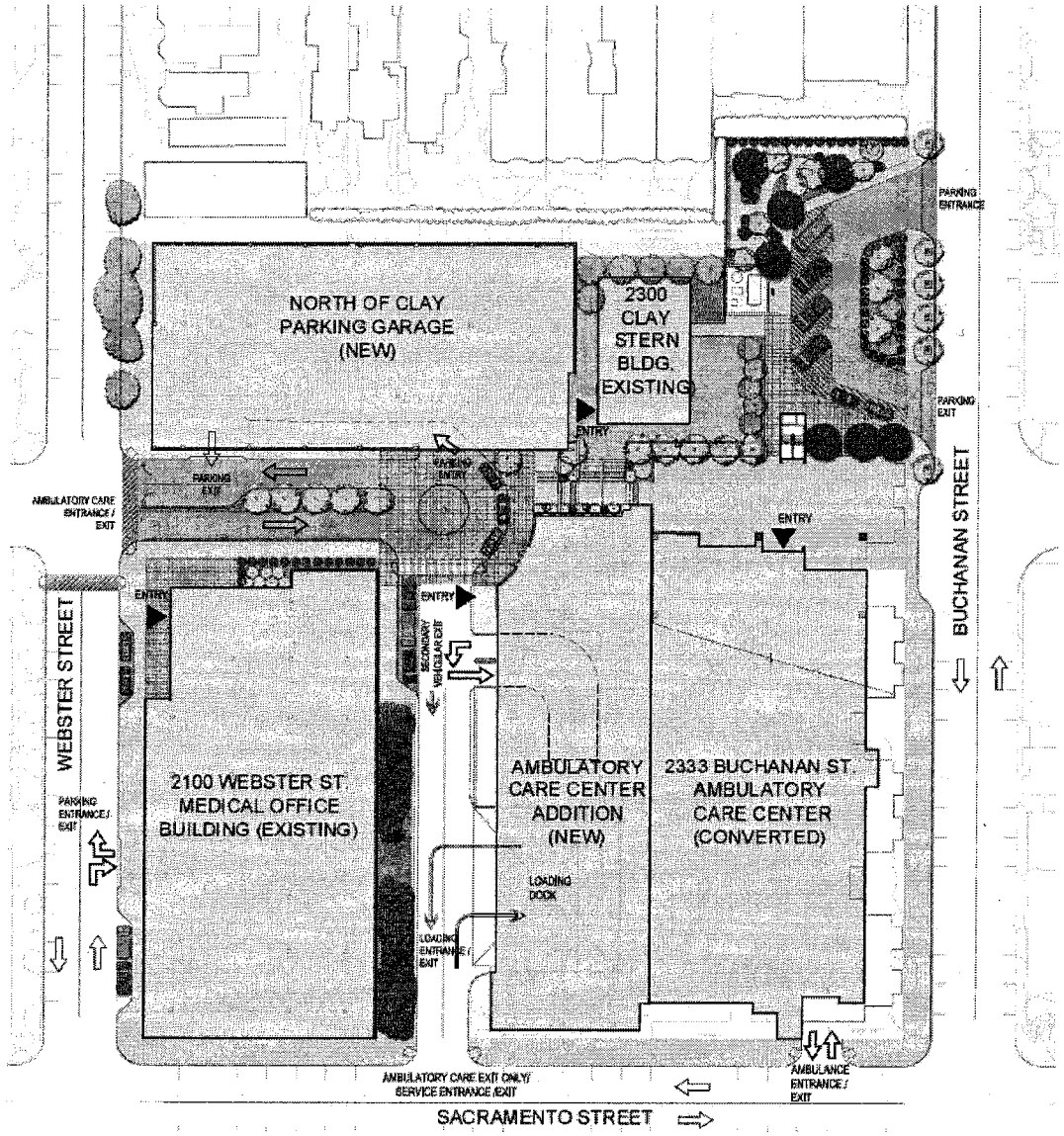
Phase II: Public Visioning Process (Pac CAG input, site analysis and review of key planning documents, CPMC preparation of additional materials as needed to begin community dialogue on design preferences and priorities).

Phase III: Design Framework (Design charrettes and meetings regarding opportunity areas and design framework; CPMC preparation of additional materials as needed, including summary of emerging design strategies and preliminary design framework materials).

Phase IV: Final Recommendation: Preparation of a final report including a description of the process and findings and recommendations of the Pac CAG (Finalize design framework documents, prepare final materials reflecting recommendations from Pac CAG).

5. Term.

This Exhibit I-2 shall remain in effect until the earlier of (i) the expiration of Term of the Agreement, or (ii) issuance of the first construction document for the Long-Term Projects on the Pacific Campus.



PACIFIC CAMPUS PROJECT GOALS

Demolish 2351 Clay St. (Stanford Building), 2324 Sacramento St., 2200 Webster St. (Garibodi Research Building) and 2340/2360 Clay St. (Annex Building MOB).

Construct two-story/248-space Webster St./Sacramento St. Underground Parking Garage and six-story/440-space North-of-Clay St. Parking Garage. Construct nine-story 205,000 sf Ambulatory Care Center, connected to converted 2333 Buchanan St. Ambulatory Care Center. Renovate 2018 Webster St. Residential/Commercial building.

Internalize traffic operations, including parking, passenger drop-off and loading, by providing vehicular cueing lanes, short-term parking and parking entrances within the campus garage and street network. Relocate dialysis patient van parking from Buchanan St., to an off-street drop-off area adjacent to the north entry of the converted 2333 Buchanan St. ACC.

Reestablish the physical and visual connections of the neighborhood blocks to the east and west of campus, by relocating the existing Clay St. loading dock to Campus Dr., and replacing it with a wide landscaped corridor and terraced plaza that connects Webster St. to Buchanan St.

Open up the campus to the surrounding community, by inviting pedestrians to circulate within and through it, along landscaped plazas and widened sidewalks.

0' 10' 20' 40' 80'

N

LEGEND
- VEHICULAR ACCESS
- PEDESTRIAN ACCESS (MAIN ENTRANCE)
- PEDESTRIAN ACCESS (SECONDARY ENTRANCE)

California Pacific Medical Center - Pacific Campus	DEVELOPMENT AGREEMENT EXHIBIT	2011-03-03	1 of 1

EXHIBIT I-3

California Campus Community Visioning Plan

This Exhibit I-3 describes the community visioning plan for the California Campus. The text in Section 1 is provided for context only and summarizes the primary activities that CPMC is currently contemplating at the California Campus. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit I-3.

1. Planning Context.

The 4.9 acre California Campus borders the Presidio Heights, Laurel Heights and Jordan Park neighborhoods. Medical services have been provided at this location for over 120 years. There are nine buildings on the California Campus, with the most prominent being the six-story 3700 California Street Hospital. CPMC's Near-Term Projects include construction of two state-of-the-art acute care hospitals, one at the St. Luke's Campus and the other at Van Ness and Geary Streets (Cathedral Hill Campus), and a major renovation at the Davies Campus. The California Campus will play an important role during the transition phase by allowing medical services to continue while other facilities are built and renovated. Once work on the Near-Term Projects is complete at approximately the end of 2017, acute care services from the 3700 California Street building will be transferred to the Cathedral Hill Campus. In early 2019, as part of the Near-Term Project implementation activities, CPMC plans to transfer other current California Campus services to that building, including but not limited to Alzheimer's residential care and medical support services such as pre-and post-ambulatory surgery, outpatient laboratory services, and physical and occupational therapy.

As part of the Long-Term Projects in approximately 2019, CPMC will begin construction of the ACC Addition on the Pacific Campus. In approximately 2021, when the ACC Addition is complete, CPMC plans to transfer substantially all of its remaining current California Campus functions, which could include but are not limited to, the Breast Health Center, MRI, imaging services and pathology and additional laboratory space, to the Pacific Campus.

2. California Campus Visioning Advisory Committee.

Future uses are currently unknown. Community members, including neighbors and businesses from the surrounding area, have expressed interest in being part of the planning process for the transition and reuse of the California Campus, and ensuring that it includes uses that are compatible with the neighborhood. To facilitate early community input, CPMC will establish a California Campus Visioning Advisory Committee ("Cal VAC") as described below.

a. Purpose and Functions. The Cal VAC is the community advisory group that will assist CPMC with community outreach, information dissemination and public education efforts regarding the visioning process for eventual reuse of the California Campus. CPMC is beginning a series of early educational meetings and presentations with California Campus

neighborhood and merchant groups to explain the Near-Term and Long-Term Projects and provide a foundation for the Cal VAC's activities.

b. Cal VAC Members; Term. On the date that is the later of (i) six (6) months after Approvals and any Subsequent Approvals for CPMC's Near-Term Projects have been Finally Granted; and (ii) completion of the Phase II work described in Section 3b-Research and Stakeholder Interviews, CPMC will appoint the Cal VAC. It is anticipated that the Cal VAC will consist of representatives from various established surrounding neighborhood and merchant groups listed below, or successor groups that may be appointed from time to time. They will be invited to nominate one representative each to participate in the Cal VAC, with the number of participants not to exceed nine (9).

a. Jordan Park Improvement Association
b. Lake Street Residents Association
c. Laurel Village Improvement Association
d. Laurel Village Merchants Association
e. Neighborhood Association of Presidio Planning
f. Pacific Heights Residents Association
g. Presidio Heights Association of Neighbors
h. Sacramento Street Merchants
i. Supervisor, District 2

Where several individuals represent one group, that group must identify one member to represent it on the Cal VAC. Other individuals can be alternates. All members must live, work, own property or own a business in San Francisco. The Cal VAC will continue until the earlier of the date of termination of the Development Agreement or completion of the initial entitlements process for redevelopment of the California Campus.

c. Meetings. Once the Cal VAC is established, CPMC and Cal VAC members will agree to a regular meeting schedule, with a frequency of not less than quarterly or more than monthly through the completion of the Community Visioning Process described in Section 3. Thereafter, CPMC and Cal VAC will agree to a meeting schedule that is appropriate for the scope of the issues that are before the Cal VAC for consideration. The Cal VAC may also conduct special meetings as needed. All meetings will be open to the public. The agendas for meetings will be set jointly by CPMC and Cal VAC leadership. CPMC will facilitate and provide logistical support for all meetings, including scheduling and providing meeting space if needed.

3. Community Visioning Process.

CPMC and the Cal VAC will implement the following or another similar process to address planning for the reuse of the California Campus. At all phases, CPMC and/or the Cal VAC may invite City representatives to participate in the meetings. The Planning Department may assign staff members to participate in Cal VAC meetings as appropriate in a non-voting capacity; however, the participation of Planning Department staff shall not take the place of or supersede

the City's obligation to review and critique future proposals for the California Campus and to conduct meetings and notifications in accordance with the Planning Code and CEQA.

a. Phase I: Early Education, Engagement and Presentations (initiated in early 2011; ongoing through approximately early 2012). CPMC will conduct community outreach to interested individuals and groups in and around the California Campus neighborhoods, explain the Near-Term and Long-Term Projects, and communicate general goals and opportunities for the visioning process.

b. Phase II: Research and Stakeholder Interviews (approximately early 2012 through late 2012). CPMC will retain a third party consultant to develop survey questions and conduct interviews with up to fifty community stakeholders (such as but not limited to merchants, neighbors, local faith leaders, neighborhood schools and educators in the site's relative proximity and others from neighboring institutions, City representatives and others with relevant subject matter expertise such as urban planning, architecture and/or transportation) to seek input regarding the California Campus' future reuse. CPMC will use the information obtained from the interviews to develop a more detailed Phases III-IV scope of work (described generally below). CPMC will consult with the district Supervisor as part of this process.

c. Phase III: Cal VAC Formation and Activation (timing consistent with Section 2b, anticipated mid-late 2012). CPMC will form the Cal VAC in accordance with Section 2b. CPMC and the Cal VAC will discuss the goals and purposes of the Cal VAC, review the results of the third party interviews and undertake comprehensive outreach and notice for the charrette/vision workshop process described below.

d. Phase IV: Vision Workshops (approximately early 2013-late 2013). CPMC, in consultation with the Cal VAC and the District Supervisor, will retain a third party consultant to facilitate a series of charrettes/vision workshops with the community as follows:

- Workshop 1: Evening community meeting to discuss visioning goals and meet participants and the District Supervisor. Consultant provides overview of existing zoning (RM-2/RH-2), neighborhood context and planning opportunities and constraints.

- Workshop 2: Working in small groups, participants from the community will identify common themes and goals for reuse of the California Campus. Each group displays the ideas and presents back to the larger group.

- Workshop 3: CPMC and the consultant synthesize community ideas and identify common themes. Following the workshop, CPMC and the consultant begin a series of conversations with the Cal VAC and others as necessary to seek additional input, leading to preparation of several alternative concept plans.

- Workshop 4: CPMC and the consultant host an open house to review results of the visioning process. The Cal VAC assists with outreach and notice. Participants recommend the community's preferred California Campus reuse vision (California Campus Community Plan) for CPMC's consideration.

e. Phase V: Community Open House. Based on the results of the charrette/visioning workshops, CPMC and the consultant will refine the California Campus Community Plan and hold a follow-up community meeting/open house to display the results.

4. California Campus Community Plan.

Following the charrette/community visioning process, the Cal VAC will meet and provide CPMC with additional feedback and recommendations regarding the community process and the California Campus Community Plan. Although the Cal VAC's input, including the California Campus Community Plan, is solely advisory, CPMC will consider the Cal VAC's recommendations as it undertakes ongoing planning activities for the California Campus.

In addition to the foregoing, any proposal to change the underlying zoning district for some of all of the California Campus, or, any proposed development project that would otherwise require neighborhood notification from the Planning Department (for Section 311 or conditional use), shall be subject to the following additional public process:

a. Required Pre-Application, according to the Planning Department's Pre-Application procedures, but with an expanded notification radius of 500' from the California Campus boundaries, prior to any development proposal submittal to the Planning Department, and

b. One required informational hearing at the Planning Commission, in addition to any other required public hearings, for receipt of public comment only, prior to any decision being rendered by the Planning Department or Commission.

5. Term.

This Exhibit I-3 shall remain in effect until the earlier of (i) the expiration of the Term of the Agreement, or (ii) issuance of the first construction document for redevelopment of the California Campus.

EXHIBIT J

List of Approvals

I. PROJECT-WIDE

A. Environmental Impact Report

1. Planning Commission

a. Certification of an Environmental Impact Report for the Project (Motion No. 18588, adopted April 26, 2012).

b. Adoption of CEQA Findings (including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program) (Motion No. 18589, adopted April 26, 2012).

2. Board of Supervisors

a. Affirming the Certification of an Environmental Impact Report for the Project (Motion No._____, adopted_____, 2012).

B. Development Agreement

1. Planning Commission

Approval and Recommendation to Board Regarding Development Agreement, Including Modifications to Administrative Code Chapter 56 (Resolution No. 18602, adopted April 26, 2012).

2. Board of Supervisors

Approval of Development Agreement, Including Modifications to Administrative Code Chapter 56 (Ordinance No.___, adopted _____, 2012)

3. Municipal Transportation Agency Board

Approval and Authorization of Executive Director to Execute Consent to Development Agreement (Resolution No. 12-604, adopted May 1, 2012)

C. Other

1. Planning Commission

Adoption of Findings of Consistency with the General Plan and Planning Code Section 101.1 for the Project (Motion No. 18592, adopted April 26, 2012).

II. ST. LUKE'S CAMPUS

A. Planning Commission

1. Recommending Approval of Amendment to General Plan Urban Design Element Height and Bulk Maps (Resolution No. 18590, adopted April 26, 2012).

2. Recommending Approval of Amendment to Planning Code Text and Amendments to Planning Code Height and Bulk District Map and Planning Code Special Use District ("SUD") Map (Resolution No. 18593, adopted April 26, 2012).

3. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the St. Luke's Campus (Motion No. 18594, adopted April 26, 2012).

4. Allocation of Office Space for St. Luke's MOB under Planning Code Sections 321 and 322 (Motion No. 18595, adopted April 26, 2012).

5. Approval of General Plan Referral for Street Vacation for a Portion of San Jose Avenue Between 27th Street and Cesar Chavez Street, Sidewalk-Widening Legislation (Motion No. 18596, adopted April 26, 2012).

B. Department of Public Works

1. Findings and Recommendation of Order of Street Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Order No. 180254, dated May 11, 2012).

2. Endorsement and Recommendation of Approval of Sidewalk Widening Legislation (Order No. 180164, dated April 16, 2012).

3. Approval of a Lot Line Adjustment Merging Vacated San Jose Avenue Parcel and Existing St. Luke's Campus Parcels (Order No.____, dated_____, 2012).

4. Approval of Street Tree Removal Permit (Order No. ____, dated _____, 2012).

C. Metropolitan Transportation Agency Board

1. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. 12-064, adopted May 1, 2012).

D. Board of Supervisors

1. Ordering the Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Ordinance No.____, adopted _____, 2012).

2. Approving San Jose Avenue Transfer Agreement for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Resolution No. _____, adopted _____, 2012).

3. Amendment of General Plan Urban Design Element Height and Bulk Maps (Ordinance No.____, adopted _____, 2012).

4. Amendment of Planning Code Text (Ordinance No.____, adopted _____, 2012).

5. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. ____, adopted _____, 2012).

6. Approval of Sidewalk-Widening Legislation (Ordinance No. _____, adopted _____, 2012).

III. CATHEDRAL HILL CAMPUS

A. Planning Commission

1. Recommending Approval of Amendments to General Plan Van Ness Area Plan Text and to General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Resolution No. 18591, adopted April 26, 2012).

2. Recommending Approval of Amendment to Planning Code Text and Amendment to Planning Code Height and Bulk District Map and Planning Code SUD Map (Resolution No. 18597, adopted April 26, 2012).

3. Approval of a Conditional Use Authorization for the Cathedral Hill Campus (Motion No. 18598, adopted April 26, 2012).

4. Allocation of Office Space for Cathedral Hill MOB under Planning Code Sections 321 and 322 (Motion No. 18599, adopted April 26, 2012).

5. Approval of General Plan Referral for Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) and Sidewalk-Widening Legislation (Motion No. 18600, adopted April 26, 2012).

B. Department of Public Works

1. Approval of Lot Line Adjustment Merging Two Parcels Under Cathedral Hill Hospital (Order No.____, approved _____, 2012).

2. Approval of Parcel Map merging Seven Parcels under Cathedral Hill MOB (Order No.____, approved _____, 2012).

3. Endorsement and Recommendation of Approval of Sidewalk-Widening Legislation (Order No. 180165, approved April 16, 2012).

4. Endorsement and Recommendation of Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tank, Cedar Street Improvements) (Order No. 180262, approved May 15, 2012).

5. Approval of Street Tree Removal Permit (Order No. _____, approved _____, 2012).

C. Municipal Transportation Agency Board

1. Approval of Cedar Street Conversion West of Cathedral Hill MOB Entrance from One-Way to Two-Way (Resolution No. 12-064, adopted May 1, 2012).

2. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. 12-064, adopted May 1, 2012).

D. Department of Building Inspection

1. Permit to Convert residential hotel units (approved _____, 2012).

E. Board of Supervisors

1. Amendment of General Plan Van Ness Area Plan Text (Ordinance No.___, adopted _____, 2012).

2. Amendment of General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Ordinance No.___, adopted _____, 2012).

3. Amendment of Planning Code Text (Ordinance No. _____, adopted _____, 2012).

4. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. _____, adopted _____, 2012).

5. Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) (Resolution No._____, approved _____, 2012).

6. Approval of Sidewalk-Widening Legislation (Ordinance No. _____, adopted _____, 2012).

IV. DAVIES CAMPUS

A. Planning Commission

1. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the Davies Campus (Motion No. 18601, adopted April 26, 2012)

B. Department of Public Works

1. Approval of a street tree removal permit (approved ____, 2012).

EXHIBIT K

Transportation Program

The Transportation Program includes payments to the San Francisco Municipal Transportation Agency ("**SFMTA**") to: (1) contribute to the cost of construction of the Proposed Van Ness and Geary Bus Rapid Transit improvements; (2) to address transit delay impacts on MUNI of the New Cathedral Hill campus; and (3) support SFMTA's bicycle circulation studies, as described below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit K.

1. BRT Contribution

a. CPMC will pay Five Million Dollars ($5,000,000) to SFMTA to contribute to the cost of construction of the proposed Van Ness Avenue Bus Rapid Transit and the Geary Corridor Bus Rapid Transit improvements to be located adjacent to the New Cathedral Hill Campus (collectively, the "**BRT**"). The Five Million Dollar ($5,000,000) BRT contribution will be paid as follows: (a) Two Million Dollars ($2,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2014; (b) Two Million Dollars ($2,000,000) on or before thirty (30) days after the later of the date the Approvals are Finally Granted and July 30, 2015; and (c) One Million Dollars ($1,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2016.

b. SFMTA shall use the BRT contributions for hard or soft costs of planning, administration and construction associated with the BRT improvements to be constructed or installed in the Geary/Van Ness public rights of ways adjacent to the Cathedral Hill Campus. CPMC shall have no obligation for BRT costs above the BRT contribution set forth above. The City shall be responsible for all costs associated with the BRT improvements undertaken by the City that exceed this contribution, provided that City shall have no obligation to construct any specific BRT improvements or to spend any City funds thereon beyond the BRT contributions made by CPMC.

c. SFMTA shall have the right, in its sole discretion, to determine how and where to apply the BRT contribution, with the only restriction being that SFMTA must use the funds for BRT purposes as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for BRT purposes as set forth above.

2. SFMTA Fee

a. CPMC will pay a fee to the SFMTA (the "**SFMTA Fee**") as set forth in this section, in addition to any parking fees, charges, taxes or assessments levied on vehicles or their owners parking in the Cathedral Hill Hospital and Cathedral Hill MOB garages that CPMC will be required to collect on behalf of the City. The

SFMTA Fee will be Fifty Cents ($0.50) for each vehicle entry and each vehicle exit during off-peak hours, and Seventy-Five Cents ($0.75) for each vehicle entry and each vehicle exit during peak hours. The SFMTA Fee, whether or not passed on by CPMC to vehicle operators, will not be considered "rent" under Section 601 of the San Francisco Business and Tax Revenue Code, and shall not be subject to tax. Peak hours shall be weekdays between 7:00 am and 9:00 am and between 4:00 pm and 6:00 pm. The SFMTA Fee program shall be effective for each new garage at the Cathedral Hill Hospital and Cathedral Hill MOB on the date of opening of that garage for public use and operations and continue for 10 years thereafter. Accordingly, the 10-year expiration date shall be different for each garage (assuming that they each open on different dates). The SFMTA Fee shall not apply to deliveries and short term drop-offs, turn-arounds and others provided with a short courtesy entry and exit, but it shall apply to any free parking offered to CPMC employees, contractors or agents.

b. The SFMTA Fee (per vehicle entry and exit) shall increase by six percent (6%) on the second anniversary of the opening of each respective garage for public use and operations, and again by six percent (6%) on each second anniversary thereafter, for so long as the SFMTA Fee is payable.

c. Within fifteen (15) days following the end of each calendar month in which the SFMTA Fee applies, CPMC shall send to SFMTA a statement (the "**Parking Fee Statement**") of the total number of cars entering and exiting the garages, the times of entry and exit (expressed as a total number of vehicles each day that entered and exited during peak hours and off-peak hours), and the total SFMTA Fee for the preceding calendar month, together with payment of the applicable SFMTA Fee payment. The Parking Fee Statement and SFMTA Fee payments shall go to: Director of Finance, San Francisco Municipal Transportation Agency, One South Van Ness Avenue, 8th Floor, San Francisco, California 94103.

d. SFMTA shall have the right to use the SFMTA Fee for any purpose consistent with SFMTA's enterprise.

e. The parties agree to meet and confer, and to cooperate and act in good faith to implement the SFMTA Fee program as described above and to ensure that the appropriate fee amounts are being collected at all times and paid to SFMTA. If necessary, as part of such implementation, SFMTA may require additional reasonable procedures to monitor the collection and payment of the correct fee amounts. CPMC shall require any third party garage operator to maintain appropriate records with respect to the same.

f. CPMC shall maintain books and records for the SFMTA Fee in an accurate manner according to generally accepted accounting principles consistently applied, to allow a proper determination of SFMTA Fee due from CPMC each month. CPMC shall maintain all such books and records for a period of not less than 4 years from the end of each calendar year.

g. CPMC agrees to make its parking garage operation books and records available to City, or to any auditor or representative designated by City, upon no less than ten (10) days prior written notice to CPMC, for the purpose of examining the books and records to determine the accuracy of CPMC's reporting of the SFMTA Fee. CPMC shall cooperate with the City's auditor during the course of any audit. Any such audit may be conducted, at City's cost, by the City Controller or his or her designee or by an independent accounting firm selected by City. During any such audit, the City and its auditor shall not disrupt CPMC's operations in the garages.

3. Transit Fee

For the Near Term Projects, CPMC will pay a transit impact fee to SFMTA in the total amount of Ten Million Four Hundred Fifty-Four Thousand One Hundred Ninety-Eight Dollars and Fifty-Four Cents ($10,454,198.54) ("**Transit Fee**"). The Transit Fees are net of the elimination of prior uses, including the demolition of the existing Cathedral Hill office building on the Cathedral Hill Hospital Site, various retail, office, restaurant, residential and other uses on the Cathedral Hill MOB Site, and the existing St. Luke's Hospital tower on the St. Luke's Campus, respectively. The Transit Fee shall be paid as follows, on the date that is 30 days after:

a. Commencement of Construction of the Cathedral Hill Hospital, Six Million Nine Hundred Seventeen Thousand Five Hundred Fifty-Six Dollars and Thirty-Six Cents ($6,917,556.36);

b. Commencement of Construction of the Cathedral Hill MOB, Two Million Three Hundred Twenty-Six Thousand Four Hundred Forty-Eight Dollars and Fifty-Eight Cents ($2,326,448.58);

c. Commencement of Construction of the St. Luke's MOB, Five Hundred Ninety-Eight Thousand Three Hundred Thirteen Dollars and Eighty Cents ($598,313.80); and

d. Commencement of Construction of the Neurosciences Building on the Davies Campus, Six Hundred Eleven Thousand Eight Hundred Seventy-Nine Dollars and Eighty Cents ($611,879.80).

For the Long Term Projects, to the extent CPMC is subject to and not otherwise exempt from transit-related Impact Fees and Exactions in effect at the time of assessment, any grandfathering exemption arising because of an earlier filed application for environmental evaluation or preliminary project assessment shall not be considered to apply to a Long Term Project. CPMC shall pay all such transit-related Impact Fees and Exactions.

The Transit Fee is intended to compensate the SFMTA for the cost of providing services needed to mitigate transit delay impacts on MUNI buses associated with the demand generated by the Project as identified in the FEIR. The Transit Fee, and any transit-related Impact Fee and Exaction, are not tied to any particular service or improvement,

and CPMC shall have no right to assert or insist upon their use by SFMTA in any particular manner.

4. Bicycle Studies

CPMC shall pay to SFMTA the total sum of Four Hundred Thousand Dollars ($400,000) within thirty (30) days after the Effective Date (the "**Bicycle Studies Contribution**").

SFMTA shall use the Bicycle Studies Contribution, in its discretion, to:

a. Develop preferred bicycle routes between the CPMC campuses, recommend improvements, and to the extent possible improve the quality of existing bicycle facilities;

b. Develop design alternatives for improved bicycle facilities on Polk Street, in the vicinity of the new Cathedral Hill Campus;

c. Develop traffic calming proposals along the 'Wiggle' (i.e., the approximately one-mile zig-zagging bicycle route from Market Street to Golden Gate Park that minimizes hilly inclines) to encourage the safe co-existence of people walking and riding bicycles; and

d. Design traffic calming improvements along 26th Street between Valencia Street and Potrero Avenue to discourage spillover traffic from Cesar Chavez Street and to provide an alternative to Cesar Chavez Street for people walking and riding bicycles.

5. Board Authorization and Appropriation.

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes SFMTA to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate interest bearing accounts as contemplated in this Exhibit, and to appropriate the funds, including interest and earnings, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the accounts created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund.

EXHIBIT L

Notice of Completion of Public Benefits

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

_____
[California Pacific Medical Center]
[address]_____
_____
_____
Attn: _____

(Space above this line reserved for Recorder's use only)

THIS NOTICE OF COMPLETION OF PUBLIC BENEFITS (this "Notice") dated for reference purposes only as of this _____ day of _____, 20__, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "City"), acting by and through its Planning Department, and [SUTTER WEST BAY HOSPITALS, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("CPMC")][*substitute party, if needed*].

1. The City and CPMC entered into that certain Development Agreement relating to the Construction of Healthcare Facilities in furtherance of the California Pacific Medical Center Long Range Development Plan dated as of _____, and recorded in the Official Records of the City And County of San Francisco on _____, 2012, as Document Number _____ (Book No. ___, Reel No. _____) (the "Development Agreement"). Capitalized terms used in this Notice that are not defined shall have meaning given to such terms in the Development Agreement.

2. Under the Development Agreement, the Parties agreed to record a notice of completion of public benefits when all of the required Public Benefits have been completed as to a portion of the Project Site.

3. The City hereby confirms that all of the required Public Benefits have been completed as to the portion of the Project Site known as the _____Campus, as more particularly described in the attached Exhibit A (the "Affected Property"). All parties with an interest in the Affected Property have the right to rely on this Notice.

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By:_____
Director of Planning

Approved as to form:

[DENNIS J. HERRERA], City Attorney

By:_____
Deputy City Attorney

Consent:

By: _____
City Administrator

By: _____
Director of Public Works

By: _____
Director of Public Health

Exhibit A

[*attach legal description of Affected Property*]

Exhibit M

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

[_____]
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO
DEVELOPMENT AGREEMENT
RELATING TO THE CONSTRUCTION AND RECONSTRUCTION
OF HEALTHCARE FACILITIES IN FURTHERANCE OF THE CALIFORNIA
PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "**Assignment**") is entered into this ____ day of _____, 20__, by and between SUTTER WEST BAY HOSPITALS, a California nonprofit public benefit corporation doing business as California Pacific Medical Center ("CPMC") ("**Assignor**"), and _____, a _____ ("**Assignee**").

RECITALS

A. On _____, _____, Assignor and the City and County of San Francisco, a political subdivision and municipal corporation of the State of California (the "**City**"), entered into that certain Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan (the "**Development Agreement**") with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement (the "**Project Sites**"). The Development Agreement was recorded in the Official Records of the City and County of San Francisco on _____ as Document No. _____.

B. Assignor intends to convey certain real property as more particularly identified and described on Exhibit A attached hereto (hereafter the "**Transferred Property**") to Assignee. The Transferred Property is subject to the Development Agreement.

C. Assignor desires to assign and Assignee desires to assume Assignor's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Transferred Property, as more particularly described below.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. Defined Terms. Initially capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Development Agreement.

2. Assignment of Development Agreement. Assignor hereby assigns to Assignee, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property, including the following obligations:

(a) [_____]; and

(b) [_____].

Assignor retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other portions of the Subject Property owned by Assignor.

3. Assumption of Development Agreement. Assignee hereby assumes, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property and agrees to observe and fully perform all the duties and obligations of Assignor under the Development Agreement with respect to the Transferred Property (including but not limited to those set forth in Paragraph 2 above), and to be subject to all the terms and conditions thereof with respect to the Transferred Property. The parties intend that, upon the execution of this Assignment and conveyance of the Transferred Property to Assignee, Assignee shall become substituted for Assignor as "CPMC" under the Development Agreement with respect to the Transferred Property. Without limiting the foregoing, Assignee understands and agrees to the provisions in Section 11.1 and Section 11.7 of the Development Agreement that identify specified obligations and remedies that run with specified property.

4. Reaffirmation of Indemnifications; Survival of Public Benefits. Assignee hereby consents to and expressly reaffirms any and all indemnifications of the City set forth in the Development Agreement including without limitation Section 4.9 of the Development Agreement. Assignee understands and agrees that certain Public Benefits shall survive the expiration or termination of the Development Agreement and remain in effect in accordance with Section 10.4 of the Development Agreement.

5. Assignee's Covenants. Assignee hereby covenants and agrees that:

(a) Assignee shall not challenge the enforceability of any provision or requirement of the Development Agreement, including but not limited to the liquidated damages as set forth in Section 9.4.4 of the Development Agreement;

(b) Assignee shall not sue the City in connection with (i) any and all disputes between Assignor and Assignee arising from this Assignment or the Development Agreement, or (ii) any failure to complete all or any part of the Project by any party, or (iii) the City's exercise of rights and remedies permitted under the Development Agreement, notwithstanding any separation of ownership of affected properties; and

(c) Assignee shall indemnify, defend, reimburse and hold the City and its officers, agents and employees harmless from, and if requested, shall defend them against any and all Losses resulting directly or indirectly from any dispute between Assignor and Assignee arising from this Assignment or the Development Agreement.

6. Binding on Successors. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

7. Notices. The notice address for Assignee under Section 13.11 of the Development Agreement shall be:

_____
_____
_____
Attn: _____

With copy to:

_____
_____
_____
Attn: _____

8. Counterparts. This Assignment may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

9. Governing Law. This Assignment and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

ASSIGNOR:

SUTTER WEST BAY HOSPITALS,
a California nonprofit public benefit corporation
doing business as California Pacific Medical Center

By: _____
Its: _____

ASSIGNEE:

_____,
a _____

By: _____
Its: _____

[All Signatures must be Acknowledged]

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Seal)
Notary Public

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Seal)
Notary Public

CPMC-DALP# 12-_____
For MOH use only

MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
TRANSMITTAL FORM

YOU MUST BOUND THE APPLICATION IN A LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

A completed Transmittal Form Must Accompany Each Application

Property Address:	**Name of Borrowers:**
_____	_____
_____	_____

The following documents are enclosed as indicated by [X], all CPMC-DALP forms must include original signatures:

Left side of the folder:

- ❑ Preliminary Report (top)
- ❑ Ratified Purchase Agreement
- ❑ Wire Instructions
- ❑ Receipt for Escrow Deposit
- ❑ First Loan Application-1003 Form signed and dated by the borrower
- ❑ Underwriting Summary-1008 Form
- ❑ First Loan Approval/Commitment
- ❑ Copy of Good Faith Estimate (GFE) or Estimated HUD-1
- ❑ Copy of borrower's credit report
- ❑ Inspection or contractor report of the property
- ❑ Fair Market Appraisal (bottom)
- ❑ CPMC-DALP Transmittal Form (top)
- ❑ The CPMC-DALP application fee check for $_____(cashier's check)
- ❑ CPMC-DALP -1 Loan Application
- ❑ CPMC-DALP -2 Lender's Certification
- ❑ CPMC-DALP -3 Income Tax Affidavit (Must be submitted when applying from Jan 1 through Feb. 28 in lieu of tax return for previous year)
- ❑ CPMC-DALP -4 First Time Homebuyer Affidavit
- ❑ Proof of Qualified CPMC Employee status
- ❑ HomeownershipSF Consent Form
- ❑ Homebuyer Education Certificate
  - O Asian, Inc.
  - O MEDA
  - O CCCSSF
  - O SFHDC
  - O SFLGBT Center
- ❑ Borrower(s) three most current & consecutive pay stubs or VOE
- ❑ Unemployed Affidavit (if applicable)
- ❑ Self-Employed Affidavit (if applicable)
- ❑ Signed and dated-Profit and Loss Statement
- ❑ Complete set of past three year tax returns (signed and dated):
  - O 2011 + ___W2 Forms,
  - O 2010 + ___W2 Forms,
  - O 2009 + ___W2 Forms.
- ❑ Form 4506 – Request for copy of Tax Return.
- ❑ Last 3 months Bank Statements.
- ❑ Gift Letter (if applicable)
- ❑ General Release and Waiver of Liability

Right side of the folder:

LENDER NAME: _____ **EMAIL ADDRESS:** _____

BRANCH ADDRESS: _____

SUBMITTED BY -NAME: _____ **TITLE:** _____

SIGNATURE: _____ **DATE:** _____

TELEPHONE: _____ **FAX:** _____

CPMC-DALP-1

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP LOAN APPLICATION

PROPERTY ADDRESS_____ No. of Bedrooms: _____
(Property to be purchased)

1. **NAME OF BORROWER**_____
   OCCUPATION _____
   S.S. # _____
   HOME TEL. # _____
   WORK TEL. # _____
   Email:_____

2. **NAME OF CO-BORROWER** _____
   OCCUPATION _____
   S.S. # _____
   HOME TEL. # _____
   WORK TEL. # _____
   Email:_____

3. **Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other_____
   (Optional, for Statistical purposes)
4. **Co-Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other_____
   (Optional, for Statistical purposes)

5. **Household Size**_____ 6. **Head of Household: Female** ___ **Male** _____ 7. **Age of Head of Household** _____

8. **Name, Age and Relationship of all persons or dependents other than named borrowers who will occupy the residence:**

Name	Age	Relationship to Borrower	Dependent for Tax Purpose? (Y/N)

9. **CURRENT ADDRESS:** _____
   City State Zip Code

10. **PREVIOUS ADDRESSES** (If residing at the current address for less than 3 yrs., complete the following):

Address	Date of Residency		Indicate whether was owned, rented or "other"*
	Beginning	Ending	

* All answers of "owned" OR "other" must be fully explained; use additional paper if necessary.

11. **INCOME** (Gross Annual Income)

Income Sources	Borrower	Co-Borrower	Other HH Members over 18	Total
Base Employment Income				$
Overtime				
Commissions/Bonuses				
Interest/Dividends				
S. S. Payment/Pension				
Child Support/Alimony				
Other Income				
Total Household Income	$		$	$

12. DETAIL OF PURCHASE

A. Purchase Price	$
B. Est. Closing Costs	
C. Est. Prepaid Escrow	
Total (A+B+C)	$
D. Amount of First Mortgage	( )
E. Amount Requested From City Not to exceed $200,000 or 45% of purchase price whichever is less	( )
F. Other Financing	( )
G. Other Credits (explain)	( )
H. Amount of Cash Deposit	( )
I. Cash from Borrower	$

13. ASSETS

Description (List Checking & Savings accounts below)	Cash or Market Value
Checking or Savings Account #	$
Name of Bank, S & L, or Credit Union	
Address	
Checking or Savings Account #	
Name of Bank, S & L, or Credit Union	
Address	
Stocks & Bonds (Acct. No./Description)	
SUBTOTAL LIQUID ASSETS	
Other Assets	

14. DECLARATIONS

(please circle the answers below)

	Borrower		Co-Borrower	
• Are you Qualified CPMC Employee?	Yes	No	Yes	No
• Have you ever owned any property as a principal residence?	Yes	No	Yes	No
• Do you intend to occupy the property within 60 days of close of escrow?	Yes	No	Yes	No

If you answer "yes" to any of the following questions, please provide explanation.
(if necessary, attach additional paper)

• Are there any outstanding judgments against you?	Yes	No	Yes	No
• Have you been declared bankrupt within the past 7 years?	Yes	No	Yes	No

15. ACKNOWLEDGMENT AND AGREEMENT

THE UNDERSIGNED SPECIFICALLY ACKNOWLEDGE (S) AND AGREE (S) THAT: 1) THE LOAN REQUESTED BY THIS APPLICATION WOULD BE SECURED BY A SECOND DEED OF TRUST ON THE PROPERTY DESCRIBED HEREIN, 2) THE PROPERTY WILL BE USED SOLELY AS THE PRINCIPAL RESIDENCE OF THE UNDERSIGNED, 3) ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF OBTAINING A CALIFORNIA PACIFIC MEDICAL CENTER DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP) LOAN FROM THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWLINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF A CPMC-DALP LOAN OR WILL BE A DEFAULT UNDER A CPMC-DALP LOAN, AS APPLICABLE.

Borrower's Signature **Date** **Co-Borrower's Signature** **Date**

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-2

LENDER'S CERTIFICATION OF BORROWER ELIGIBILITY

1. _____("Lender") states the following:

The Lender has accepted and reviewed the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") application for:

_____(Borrower's Name)
Who shall be referred to as "Borrower(s)"

_____(Co-Borrower's Name)
Who shall be referred to as "Co-Borrower(s)"

_____(Current Address)

_____(City, Zip Code)

2. The application was made in connection with Borrower(s) for a first mortgage loan for the purchase of a Principle Residence home (the "Residence") located at:

San Francisco, CA
(Street Address of Residence to be purchased)

3. The Lender is considering a mortgage loan to the Borrower(s) in the amount of $_____.

4. The Lender has obtained the Borrower's Application Affidavit, true, complete and signed copies of Borrower's federal tax returns for the three-year period prior to_____ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is _____ bedroom single-family home, townhouse/condominium (please circle one) located in the City and County of San Francisco and is reasonably expected to become the Borrower's principal residence within sixty (60) days after the escrow is closed.

5. The purchase price for the residence is $_____ and said amount is within CPMC-DALP limits.

6. The Borrower(s) is/are first time homebuyer, the Borrower(s) has not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

7. The mortgage loan which the Borrower(s) will receive will not be used for acquisition or replacement of an existing mortgage on the residence.

8. No person who is a related person to the Borrower has an interest as a creditor in the mortgage loan to be made for acquisition of the Residence.

9. The Borrower's gross annual household income as defined below is $_____, which amount is within CPMC-DALP income limits. (Gross income listed should match income noted on Application Affidavit). Verification of income is attached.

10. The Lender has not directly or indirectly attempted to prohibit the Borrower(s) from seeking a mortgage loan from any potential lender, nor attempted to require the Borrower to seek a mortgage loan from a specific lender.

11. The Lender has charged the Borrower(s) only those reasonable fees as would be charged to a potential borrower applying for a mortgage loan not provided in connection with a CPMC-DALP loan.

12. Based upon reasonable investigation, the Lender has no reason to believe that the Borrower(s) has made any negligent, fraudulent or material misstatements in connection with the Borrower's application for a CPMC-DALP loan.

13. The Borrower has a good credit history. The lender had read and verified the Borrower's credit report, and has included a copy of the borrower's credit report with the CPMC-DALP application.

By: _____ Title: _____
(Signature of Lender Representative)

_____ Date: _____
Print Name

Attached: _____Current Paystubs or Income Verification

_____Proof of Qualified CPMC Employee status

_____Profit and Loss Statement (self-employed)

_____Completed set of Past 3 year Tax Returns and W-2 Forms

Other_____

INCOME DETERMINATION

The gross income of a Borrower (or Borrowers) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay: any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc: and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (or Borrowers) and any other person over 18 years of age who is expected to live in the residence being financed. Income includes the income of both spouses.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-3

INCOME TAX AFFIDAVIT

1. I (We) the undersigned, being first duly sworn, state the following:

   (Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)

2. _____ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) _____for the reason(s)below:

   Please supply documentation supporting the above explanation.

3. _____ I (We) hereby certify that the application in connection with which I (we) am (are) applying for a loan is occurring between **January 1 and February 28**, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (we) have for 20_____ was $_____ and do not exceed the income limits for the CPMC-DALP, attached is copy of the last paystub or W-2 form for prior tax year.

   (Check Paragraph 3 only if the closing for the financing in connection with your application for California Pacific Medical Center Downpayment Assistance Loan Program (CPMC-DALP) loan will occur between January 1 and February 28 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for a CPMC-DALP loan. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a CPMC-DALP loan may constitute a federal violation punishable by a fine and/or denial of my (our) application for a CPMC-DALP loan, or, if a loan has been funded prior to discovery of the false statement will constitute a default under the CPMC-DALP loan and my (our) loan is immediately due and payable, which may be in addition to any criminal penalty imposed by law.

_____	_____	_____
Date of Application	Signature of Applicant	Signature of Applicant

****

State of California
County of _____)

On _____before me, _____,
(Here insert name and title of the officer)

Personally appeared _____,

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
CALIFORNIA PACIFIC MEDICAL CENTER
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)
One S. Van Ness Avenue, 5th Floor
San Francisco, CA 94103

CPMC-DALP-4

FIRST TIME HOMEBUYER AFFIDAVIT

I (we) understand that I (we) am (are) eligible for the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco only if I (we) individually as Borrower(s) and any resident member of the household as defined by the CPMC-DALP Guidelines are "First Time Homebuyers". In order to qualify as a First Time Homebuyer, I (we) or any resident members of my household have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually; or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.

I (We) certify that I (we) are "First Time Home Buyers" consistent with the above guidelines and definitions as of

_____ (date of application)

_____ _____
Signature of Applicant Signature of Applicant

****

State of California

County of _____)

On _____before me, _____,
(Here insert name and title of the officer)

Personally appeared _____,

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____ (Notary Seal)
Signature of Notary Public

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

HOMEOWNERSHIP COUNSELING CONSENT FORM

The Mayor's Office of Housing requires every adult household member applying for a City administered homeownership assistance program, in connection with the purchase of a residential unit, to:

1. Attend Pre-Purchase Homeownership workshop(s) for a cumulative minimum of 6 hours.
2. Meet with a counselor, from one of the City's participating, non-profit housing counseling agencies, to receive a one-on-one counseling session (see www.homeownershipsf.org for current list of approved housing counseling agencies.)
3. Receive a Certificate of Completion once requirements 1 and 2 noted above are completed.

I/We understand the Certificate of Completion requirement is in place to ensure first-time homebuyers are educated about the eligibility criteria and policies of the various City administered homeownership assistance programs AND:

- Assessing readiness to buy a home
- Financing a home
- Maintaining a home and finances
- Budgeting and credit
- Selecting a home
- Home-buying process

I/We understand and authorize the Mayor's Office of Housing, its participating non-profit housing counseling agencies and HomeownershipSF to exchange information about my application, including information about my/our final settlement statement, which shall be used for statistical information or funder reports only.

I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for additional services including post purchase counseling which includes budgeting, home maintenance and foreclosure prevention topics. I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for referral/counseling services in case of any financial hardship or loan default.

Name as it will appear on Title:	Signature(s):	Date:

Property to be purchased: (Enter N/A if not yet identified)

Street No.	Street Name:	Unit No.:	San Francisco, CA	Zip code:
			San Francisco, CA	

GENERAL RELEASE AND WAIVER OF LIABILITY

I hereby acknowledge that I am applying for California Pacific Medical Center-Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing.

By participating in this program, I hereby waive any right to recover from, and forever release and discharge City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with, any injury, loss or damage to any person or property in or about the property located at_____, San Francisco, CA 94_____, that I am about to purchase (the "Property") by or from any cause whatsoever including, without limitation, **(i)** any act or omission of persons performing work on the Property; (ii) any act or omission of persons occupying adjoining premises or any part of the building adjacent to or connected with the Property, **(iii)** theft, **(iv)** explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, **(v)** Property defects, and **(vi)** any other acts, omissions or causes.

In connection with the foregoing release, I expressly waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

I hereby assume full responsibility for all liability and all risk of injury or loss, in connection with the Property.

I affirm that the information I have provided is true; that I have reviewed the rules and regulations of the CPMC-DALP. I further understand that the City and County of San Francisco reserve the right to take appropriate civil and/or criminal action against me for any proven fraudulent use of this CPMC-DALP.

I agree that I have read and understand this General Release and Waiver of Liability.

Print Name: _____ Signature: _____ Date: _____

Print Name: _____ Signature: _____ Date: _____

****

State of California
County of _____)

On _____ before me, _____
(Here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Notary Seal)
Signature of Notary Public

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

LAND USE & ECONOMIC DEVELOPMENT COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Economic Development Committee will a hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Friday, June 15, 2012**

Time: **10:00 a.m.**

Location: **Legislative Chamber, Room 250 located at City Hall**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **California Pacific Medical Center Long Range Development Plan**

120357 **Planning Code - Increase Maximum Floor Area Ratios and Create the Van Ness Medical Use Subdistrict Within the Van Ness Special Use District - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco Planning Code by: 1) amending Section 124 to allow a floor area ratio of 9:1 for a hospital and 7.5:1 for a medical office building within the Van Ness Special Use District, Medical Use Subdistrict; 2) amending Section 243 to include the establishment of the Van Ness Medical Use Subdistrict and associated controls; and 3) adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120358 **Planning Code - Increase Maximum Permitted Floor Area Ratio and Establish the Cesar Chavez/Valencia Streets Medical Use Special Use District - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the San Francisco Planning Code by: 1) adding Section 124(k) to allow a floor area ratio of 2.5 to 1 in the Cesar Chavez/Valencia Streets Medical Use Special Use District; 2) adding Section 249.68 to establish the Cesar Chavez/Valencia Streets Medical Use Special Use District; and 3) adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120359 **Zoning Map - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco Planning Code Sectional Maps SU02 and HT02 of the Zoning Map of the City and County of San Francisco to: 1) reflect the creation of the Van Ness Medical Use Subdistrict at Assessor's Block Nos. 0695 (Lot Nos. 005, 006) and 0694 (Lot Nos. 005, 006, 007, 008, 009, 009A, 010); 2) allow an increase in height at Assessor's Block No. 0695 (Lot Nos. 005, 006) in order to allow for a new seismically safe hospital; and 3) adopt findings, including environmental findings, Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120360 **Zoning Map - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the San Francisco Planning Code Sectional Maps SU07 and HT07 of the Zoning Map of the City and County of San Francisco to: 1) reflect the creation of the Cesar Chavez/Valencia Streets Medical Use Special Use District at the California Pacific Medical Center's St. Luke's Campus (Block No. 6575, Lot Nos. 001 and 002; Block No. 6576, Lot No. 021; and a portion of San Jose Avenue between Cesar Chavez and 27th Streets); 2) allow an increase in height throughout the western portion of the California Pacific Medical Center's St. Luke's Campus (Block No. 6576, Lot No. 021; and a portion of San Jose Avenue between Cesar Chavez and 27th Streets) in order to allow for a new seismically safe replacement hospital; and 3) adopt findings, including environmental findings, Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120361 **Summary Street Vacation - Portion of San Jose Avenue - California Pacific Medical Center: St. Luke's Campus**

Ordinance ordering the summary street vacation of a portion of San Jose Avenue, between 27th Street and Cesar Chavez Street; rescinding an existing encroachment permit; adopting environmental findings pursuant to the California Environmental Quality Act and findings that the action contemplated herein are consistent with the San Francisco General Plan and eight priority policies of San Francisco Planning Code Section 101.1; and authorizing official acts in connection with this ordinance.

120362 **Street Encroachments - Van Ness Avenue, Cedar Street, and Geary Boulevard - California Pacific Medical Center: Cathedral Hill Campus**

Resolution: 1) granting revocable permission to the California Pacific Medical Center to a) occupy a portion of the public right-of way on Van Ness Avenue in order to construct and maintain a pedestrian tunnel under Van Ness Avenue (State Highway 101) to connect the new medical office building and the new hospital located at 1100 and 1101 Van Ness Avenue respectively; b) construct and maintain off-site improvements on the north side of Cedar Street between Van Ness Avenue and Polk Street, across the street from the medical office building and on the south side of Cedar Street contiguous to the property at 1001 Polk Street (Block No. 0694, Lot No. 004), including reconstructing and widening the existing sidewalk, installing new landscaping and reconstructing the existing roadway with pavers; and c) install and maintain two 30,000 gallon diesel fuel tanks within the public right of way under Geary Boulevard between Franklin Street and Van Ness Avenue, in order to serve the hospital at 1101 Van Ness Avenue; and 2) making environmental findings and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120363 **Land Transf Agreement - Sale of a Portion of S Jose Avenue Between 27th Street and Cesar Chavez Street - Sutter West Bay Hospitals - California Pacific Medical Center: St. Luke's Campus**

Resolution authorizing the Director of Property to execute a Land Transfer Agreement with Sutter West Bay Hospitals, doing business as California Pacific Medical Center, for the future conveyance by the City and County of San Francisco to California Pacific Medical Center of real property consisting of a portion of San Jose Avenue between 27th Street and Cesar Chavez Street; and making findings, including findings under the California Environmental Quality Act and findings of consistency with the General Plan and Planning Code Section 101.1.

120364 **Changing the Official Sidewalk Widths - Portions of Post Street, Geary Boulevard, Geary Street, Cedar Street, Franklin Street, and Van Ness Avenue - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance: 1) amending Ordinance No. 1061 entitled "Regulating the Width of Sidewalks" by adding thereto Section 1596 to change the official sidewalk width of: a) the southerly side of Post Street starting at the southeast intersection with Franklin Street continuing east to the southwest intersection with Van Ness Avenue; b) the northerly side of Geary Boulevard starting at the northeast intersection with Franklin Street continuing east to the northwest intersection with Van Ness Avenue; c) the northerly side of Geary Street starting at the northeast intersection of Van Ness Avenue continuing east 325 feet; d) both sides of Cedar Street starting at the intersection with Van Ness Avenue continuing east to the intersection with Polk Street; e) the westerly side of Van Ness Avenue starting at the intersection with Geary Boulevard continuing north to the intersection with Post Street; and f) the easterly side of Van Ness Avenue starting at the intersection with Geary Street continuing north to the intersection with Cedar Street; 2) making environmental findings and findings pursuant to the General Plan and Planning Code Section 101.1; and 3) requiring relocation, modification, or both of facilities affected by the sidewalk width change.

120365 **Changing the Official Sidewalk Widths - Portions of Cesar Chavez Street, Valencia Street and 27th Street - California Pacific Medical Center: St. Luke's Campus**

Ordinance: 1) amending Ordinance No. 1061 entitled "Regulating the Width of Sidewalks" by adding thereto Section 1591 to change the official sidewalk width of: a) the southerly side of Cesar Chavez Street starting at the southeast intersection with Guerrero Street continuing east to the southwest intersection with Valencia Street; b) the westerly side of Valencia Street, starting at the southwest intersection with Cesar Chavez Street continuing south to the northwest intersection with Duncan Street; and c) the northern portion of 27th Street starting at the intersection of 27th Street and San Jose Avenue and continuing west for 44.24 feet; 2) making environmental findings and findings pursuant to the General Plan and Planning Code Section 101.1; and 3) requiring relocation, modification, or both of facilities affected by the sidewalk width change.

120366 **Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center**

Ordinance: 1) approving a Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, for certain real property associated with the California Pacific Medical Center Long Range Development Plan located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus, and California Campus; 2) making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and 3) waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith.

120458 **General Plan - Van Ness Area Plan Amendments - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco General Plan Van Ness Area Plan in order to facilitate the development of a high density medical center at the transit nexus of Van Ness Avenue and Geary Boulevard and reflect various elements of this use; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

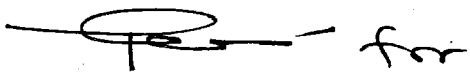
120459 **General Plan Map - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to increase the height limit for the California Pacific Medical Center's St. Luke's Campus (Block No. 6575/Lot Nos. 001, 002; Block No. 6576/Lot No. 021, and the portion of San Jose Avenue between Cesar Chavez Street and 27th Street) to 105 feet; and 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 227' and 270', respectively, for the St. Luke's Replacement Hospital site and 204' and 228', respectively, for the medical office building site at the St. Luke's Campus; and adopting findings, including environmental findings, Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

120460 **General Plan Map - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to allow for development up to a height of 265 feet on the block bounded by Van Ness Avenue, Geary Boulevard, Franklin and Post Streets; 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 385' and 466', respectively, for the Cathedral Hill Hospital site and 265' and 290', respectively, for the Cathedral Hill MOB site; 3) amending Map 1 of the Van Ness Area Plan, to designate the sites of the proposed Cathedral Hill Hospital and Medical Office Building as the Van Ness Medical Use Subdistrict; and 4) amending Map 2 of the Van Ness Area Plan to create a 265-V height/bulk district coterminous with the Hospital site; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public records in these matters, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, June 8, 2012.



Angela Calvillo, Clerk of the Board

DATED: May 30, 2012
MAILED: June 1, 2012
PUBLISHED: June 1 & 8, 2012 (Street Vacation); June 5, 2012 (General Plan Amendments & Development Agreement)

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Alisa Miller
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1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description AM - 06.15.12 CPMC Land Use Hearing

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO CHRONICLE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the Clerk of the Board. Publication date(s) for this notice is (are):

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CNS 2324255

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE & ECONOMIC DEVELOPMENT COMMITTEE FRIDAY, JUNE 15, 2012 – 10:00 AM LEGISLATIVE CHAMBER ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PL, SF, CA

NOTICE IS HEREBY GIVEN THAT THE LAND USE AND ECONOMIC DEVELOPMENT COMMITTEE WILL A HOLD A PUBLIC HEARING TO CONSIDER THE FOLLOWING PROPOSAL AND SAID PUBLIC HEARING WILL BE HELD AS FOLLOWS, AT WHICH TIME ALL INTERESTED PARTIES MAY ATTEND AND BE HEARD. SUBJECT: CALIFORNIA PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN. (File No. 120366) Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center. Ordinance: 1) approving a Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, for certain real property associated with the California Pacific Medical Center Long Range Development Plan located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus, and California Campus; 2) making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and 3) waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith. **(File No. 120458) General Plan - Van Ness Area Plan Amendments - California Pacific Medical Center: Cathedral Hill Campus.** Ordinance amending the San Francisco General Plan Van Ness Area Plan in order to facilitate the development of a high density medical center at the transit nexus of Van Ness Avenue and Geary Boulevard and reflect various elements of this use; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1. **(File No. 120459) General Plan Map - California Pacific Medical Center: St. Luke's Campus.** Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to increase the height limit for the California Pacific Medical Center's St. Luke's Campus (Block No. 6575/Lot Nos. 001, 002; Block No. 6576/Lot No. 021, and the portion of San Jose Avenue between Cesar Chavez Street and 27th Street) to 105 feet; and 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 227' and 270', respectively, for the St. Luke's Replacement Hospital site and 204' and 228', respectively, for the medical office building site at the St. Luke's Campus; and adopting findings, including environmental findings, Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1. **(File No. 120460) General Plan Map - California Pacific Medical Center: Cathedral Hill Campus.** Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to allow for development up to a height of 265 feet on the block bounded by Van Ness Avenue, Geary Boulevard, Franklin and Post Streets; 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 385' and 466', respectively, for the Cathedral Hill Hospital site and 265' and 290', respectively, for the Cathedral Hill MOB site; 3) amending Map 1 of the Van Ness Area Plan, to designate the sites of the proposed Cathedral Hill Hospital and Medical Office Building as the Van Ness Medical Use Subdistrict; and 4) amending Map 2 of the Van Ness Area Plan to create a 265-V height/bulk district coterminous with the Hospital site; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public records in these matters, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, June 8, 2012.

Angela Calvillo, Clerk of the Board