

File No. 140103

Committee Item No. _____

Board Item No. 25

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee _____

Date _____

Board of Supervisors Meeting

Date March 4, 2014

Cmte Board

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Ground Lease |
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Completed by: John Carroll

Date February 27, 2014

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 20 pages. The complete document is in the file.

26
1 [Ground Lease - Successor Agency Land - 1751 Carroll Avenue - Bayview Senior Housing]

2
3 **Resolution approving and authorizing the Successor Agency to the Redevelopment**
4 **Agency of the City and County of San Francisco to execute a lease of land at 1751**
5 **Carroll Avenue (Assessor's Block No. 5431A, Lot No. 042), with Carroll Avenue Senior**
6 **Homes, LP, a California limited partnership, for a term of 55 years for the purpose of**
7 **developing housing for very low-income senior households; adopting findings under**
8 **the California Environmental Quality Act; and adopting findings that the conveyance is**
9 **consistent with the General Plan, and the eight priority policies of Planning Code,**
10 **Section 101.1.**

11
12 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and
13 County of San Francisco (the "Successor Agency," also commonly known as the Office of
14 Investment and Infrastructure ("OCII")) and the City desire to increase the City's supply of
15 affordable housing and encourage affordable housing development through financial and
16 other forms of assistance; and

17 WHEREAS, The Board of Supervisors of the City adopted the Bayview Hunters Point
18 Redevelopment Project Area (the "Project Area") in order to undertake a variety of projects
19 and activities to alleviate blighting conditions; and

20 WHEREAS, The OCII-owned parcel located at 1751 Carroll Avenue (the northwest
21 corner of 5800 Third Street), Assessor's Block 5431A, Lot 042, San Francisco, California, in
22 the former Project Area ("Site" or "Property"), is an underutilized and unimproved lot; and

23 WHEREAS, The former Redevelopment Agency Commission selected Carroll Avenue
24 Senior Homes, LP, a California limited partnership (formerly Bayview Supportive Housing,
25 LLC, a California limited liability company) an affiliate of Bayview Hunters Point Multipurpose

1 Senior Services, Inc., and McCormack Baron Salazar, ("Developer"), to develop the Site; and

2 WHEREAS, OCII is providing the Developer with financial assistance to leverage
3 equity from an allocation of low-income housing tax credits and other funding sources in order
4 to construct approximately 120 (plus one manager's unit) units of affordable senior rental
5 housing, support service space, and ground floor senior services (the "Project"); and

6 WHEREAS, The OCII Commission has approved a ground lease between OCII and
7 the Developer (the "Ground Lease Agreement"), in which OCII will lease the Property for
8 Fifteen Thousand Dollars (\$15,000.00) per year, in exchange for the Developer's agreement,
9 among other things, to operate the Project with rent levels affordable to Lower Income
10 Households. A copy of OCII Commission Resolution No. 56-2013 is on file with the Clerk of
11 the Board of Supervisors in File No. _____, and incorporated by reference herein as
12 though fully set forth; and

13 WHEREAS, OCII believes that the redevelopment of the Site, pursuant to the Ground
14 Lease Agreement, and the fulfillment generally of the Ground Lease Agreement and the
15 intentions set forth herein, are in the vital and best interests of the City and the health, safety,
16 morals and welfare of its residents, and in accord with the public purposes and provisions of
17 the applicable State and Federal laws; and

18 WHEREAS, By Planning Commission Motion No. 18730 dated October 25, 2012, the
19 Department of City Planning adopted and issued a General Plan Consistency Finding, a copy
20 of which is on file with the Clerk of the Board in File No. _____, wherein the Department of
21 City Planning found that the development of the Property is consistent with the City's General
22 Plan and with the eight priority policies under Planning Code Section 101.1; and that the
23 Addendum to Mitigated Negative Declaration, Case No. 2012.0045E, concluded that the
24 Finding of Mitigated Negative Declaration adopted and issued on September 1, 2005 remains
25 valid and that no supplemental environmental review is required for the revised project; and

1 WHEREAS, Upon completion of the Project, OCII intends to transfer the affordable
2 housing loan obligation, asset, and ground lease to the Mayor's Office of Housing and
3 Community Development ("MOHCD") as the designated Successor Housing Agency of the
4 City and County of San Francisco under Board Resolution 11-12, as required by Dissolution
5 Law. Additionally, at the time of transfer to MOHCD, or subsequent to such transfer, the
6 Tenant intends to transfer a portion of an adjacent parcel to MOHCD and the Ground Lease
7 will be amended to reflect a revised legal description based on such transfer; and

8 WHEREAS, Because the Property was purchased with tax increment money, Section
9 33433 of the California Health and Safety Code requires the Board of Supervisors' approval of
10 its sale or lease, after a public hearing; and

11 WHEREAS, Notice of the public hearing has been published as required by Health and
12 Safety Code Section 33433; and

13 WHEREAS, OCII prepared and submitted a report in accordance with the requirements
14 of Section 33433 of the Health and Safety Code, including a copy of the proposed Ground
15 Lease Agreement, and a summary of the transaction describing the cost of the Ground Lease
16 to the Agency, the value of the property interest to be conveyed, the lease price and other
17 information was made available for the public inspection; now, therefore, be it

18 RESOLVED, That the Board of Supervisors does hereby find and determine that the
19 lease of the Site from OCII to the Developer (1) will provide housing for very low-income
20 seniors; (2) is consistent with the former Redevelopment Agency's citywide Tax Increment
21 Affordable Housing Program, pursuant to Community Redevelopment Law Section 33342.2;
22 (3) the less than fair market value rent of approximately Fifteen Thousand Dollars
23 (\$15,000.00) per year for a term of fifty-five (55) years is necessary to achieve affordability for
24 Very Low Income Households; and (4) the consideration to be received by OCII is not less
25

1 than the fair reuse value at the use and with the covenants and conditions and development
2 costs authorized by the Ground Lease Agreement; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the ground
4 lease of the Property are consistent with the General Plan, and with the eight priority policies
5 of Planning Code Section 101.1 for the same reasons as set forth in the Planning Commission
6 Motion, dated October 25, 2012, and hereby incorporates such findings by reference as
7 though fully set forth in this Resolution; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
9 authorizes OCII to execute the Ground Lease Agreement with the Developer, substantially in
10 the form on file with the Clerk of the Board of Supervisors in File No. _____ and lodged
11 with the OCII, and to take any such further actions needed to execute such documents as is
12 necessary to carry out the Ground Lease Agreement.

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**Office of Community
Investment and Infrastructure**
(Successor to the San Francisco
Redevelopment Agency)

One South Van Ness Avenue
San Francisco, CA 94103
415.749.2400



EDWIN M. LEE, Mayor

Christine Johnson, Chair
Mara Rosales, Vice-Chair
Theodore Ellington
Marilyn Mondejar
Darshan Singh
Tiffany Bohee, Executive Director

February 18, 2014

SUMMARY OF BAYVIEW SENIOR HOUSING

Action Requested:

Approving the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency" also commonly known as the Office of Investment and Infrastructure ("OCII")) lease of the land at Assessor's Block 5431A, Lot 042, to Carroll Avenue Senior Homes, LP, a California limited partnership ("Developer"), for 55 years for the purpose of creating a housing development for very low-income senior households ("Ground Lease").

Project Summary:

The Bayview Senior Housing site ("Property" or "Site"), currently an unimproved surface parking lot, is located at 1751 Carroll Avenue (formerly 5800 Third Street-Lot 3), Assessor's Block 5431A, Lot 042, in San Francisco's Bayview Hunters Point neighborhood. On September 21, 2010, the Commission of the former San Francisco Redevelopment Agency ("SFRA") authorized an Assignment and Assumption Agreement of a Purchase and Sale Agreement for the Site, which allowed SFRA to take ownership of it. At that same meeting, the SFRA Commission also authorized an Exclusive Negotiations Agreement ("ENA") with Bayview Hunters Point Multipurpose Senior Services, Inc. ("BHPMSS") and McCormack Baron Salazar ("MBS") (together, the "Developer") for the purpose of developing the Site into a project that includes 120 units of affordable rental housing for very low-income seniors, one managers unit, and a multi-purpose senior center (the "Project").

On September 3, 2013, the OCII Commission ("Commission"), as Successor Agency to the SFRA, adopted Resolution No. 42-2013 and approved a Ground Lease Option and an additional funding amount of \$15,173,724, for a total aggregate loan amount of \$19,111,224 (the "Loan"), which provided the Developer with evidence of site control and secured gap funding. The Developer has since secured Low Income Housing Tax Credits, Tax-Exempt Mortgage Revenue Bonds, and Project Based Section 8's available for very low-income senior housing developments to finance the construction of the Project. On November 19, 2013, the Commission authorized the Executive Director to enter into a 55-year Ground Lease, with one option for 44 additional years, with Carroll Avenue Senior Homes, L.P. (a partnership which includes the Developer) (the "Partnership") Through the ground lease, OCII will maintain ownership of the land and the Partnership will own and operate the improvements.

OCII has successfully used the proposed financing and lease structure for many similar affordable housing developments in San Francisco. This structure provides developers with the site control necessary to build and preserve affordable housing, while allowing OCII to ensure that the affordability of the housing is maintained over the long term. Because the SFRA purchased the land using tax increment funds, the Board of Supervisors must approve the Ground Lease Agreement pursuant to Section 33433 of the California Health and Safety Code.

Property: Assessor's Block 5431A, Lot 042

Land Owner: Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, a public body, organized and existing under the laws of the State of California

Proposed Developer/
Lessee: Carroll Avenue Senior Homes, LP, a California limited partnership

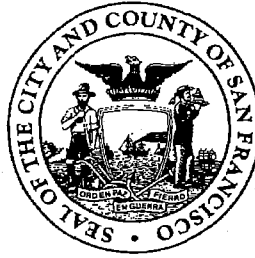
Length of Lease: 55 years plus one option for 44 years

Lease Payment: \$15,000 annual rent

Use of Property: Affordable housing for very low-income senior households

**Office of Community
Investment and Infrastructure**
(Successor to the San Francisco
Redevelopment Agency)

One South Van Ness Avenue
San Francisco, CA 94103
415.749.2400



EDWIN M. LEE, Mayor

Christine Johnson, Chair
Mara Rosales, Vice-Chair
Theodore Ellington
Marilyn Mondejar
Darshan Singh
Tiffany Bohee, Executive Director

February 18, 2014

33433 Report

This report is submitted pursuant to Section 33433 of the California Health and Safety Code. Specifically, the Section states that before any property that was acquired, in whole or in part, with tax increment moneys is sold or leased for development, the sale or lease shall first be approved by the legislative body by a resolution after a public hearing. The Board of Supervisors is the legislative body for purposes of Section 33433.

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency" also commonly known as the Office of Community Investment and Infrastructure ("OCII")) administers a Citywide Affordable Housing Program for the purposes of funding the development of affordable housing, pursuant to the Community Redevelopment Law of the State of California, the California Constitution, and all applicable local codes and ordinances. The Program, in place since 1989, has facilitated the acquisition, construction, and/or rehabilitation of affordable housing throughout the City and County of San Francisco through the use of OCII's tax increment funds and its authority as a tax-exempt mortgage revenue bond issuer.

It is anticipated that approximately 121 units of permanent, affordable housing for very low income seniors and a senior center (the "Project") will be developed. The property is currently an unimproved surface parking lot at the northwest corner of the larger 5800 Third Street site, in San Francisco's Bayview Hunter's Point Redevelopment Project Area, Assessor's Block 5431A, Lot 042 (the "Site"). On September 21, 2010, the former Redevelopment Agency Commission the "Commission") authorized an Assignment and Assumption Agreement of a Purchase and Sale Agreement for Lot 3 at a site locate at 5800 3rd Street and Carroll Avenue, (the "Site") which allowed the former Redevelopment Agency to take ownership of the Site. At that same meeting, the Commission also authorized an Exclusive Negotiations Agreement ("ENA") with Bayview Hunters Point Multipurpose Senior Services, Inc. ("BHPMSS") and McCormack Baron Salazar ("MBS") (together, the "Developer"), for the development of the Site into approximately 120 very low-income rental housing units for very low income seniors (plus one manager's unit) and a senior services center (the "Project"). Since that time, the former Redevelopment Agency purchased the Site with an acquisition cost of \$8,511,709, and the Developer has created a new entity, Carroll Avenue Senior Homes, LP (a partnership which includes the Developer) (the "Partnership") to implement the ENA.

On November 19, 2013, the Commission authorized the Executive Director to enter into a 55-year Ground Lease, with one option for 44 additional years, with the Partnership. Through the ground lease, OCII will maintain ownership of the land and the Partnership will own and operate the improvements.

To facilitate the Project's development, the former Redevelopment Agency Commission authorized a predevelopment loan, and subsequently the OCII Commission gap loan funds totaling \$19,111,224. OCII will continue to own the Property, but will provide site control to the Partnership through a long term ground lease ("Ground Lease"). The Partnership now seeks to execute the Ground Lease associated with the Project.

The following summarizes the project in accordance with Section 33433 requirements:

- A. "A copy of the proposed sale or lease." Please refer to the Ground Lease Agreement (Attachment 1).
- B. "A summary which describes and specifies all of the following:"
 - (i) "The cost of the agreement to the OCII, including land acquisition costs, clearance costs, and relocation costs, the costs of any improvements to be provided by OCII, plus the expected interest on any loans or bonds to finance the agreements."

The total cost of the former Agency's 2010 acquisition of the land was \$8,380,733, plus interest and closing costs. OCII will not incur clearance, relocation, or improvement costs. Furthermore, no interest will be generated on loans or bonds used to finance the land acquisition or the subsequent lease to the Developer.

- (ii) "The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan."

The value of the land at 5800 Third Street, Lot 3 that is to be leased to the Developer, determined as of March 22, 2013, at the highest and best use permitted under the plan is \$5,810,000.

- (iii) "The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments that the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then OCII shall provide as part of the summary an explanation of the reasons for the difference."

The estimated value of the land to be conveyed, determined with the conditions, covenants, and development costs required by the sale, is \$5,810,000. The property is being leased to the developer for a period of 55 years. The annual ground rent is \$581,000, but with only \$15,000 guaranteed. The balance of the annual rent is to be paid from residual receipts to the extent any surplus cash is available. The present value of the guaranteed lease payments is \$184,779, using a blended discount rate of 8% percent.

The present value of the fixed total rental amount, including the residual land interest at the end of the 55-year term, is substantially less than the fair market value of the interest to be

leased, determined at the highest and best use. Only \$15,000 of the annual rent is guaranteed and the remainder is to be paid from “surplus cash” generated by the Project annually, i.e., operating income that is in excess of operating expenses. The less than fair market value rent is necessary to achieve affordability for Very Low Income Senior Households and the consideration to be received by OCII is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Ground Lease. This lease structure is necessary to ensure the continued and successful operation of the Project, but creates a high level of uncertainty regarding the value of the rents that OCII will actually collect. This risk factor is reflected in the blended discount rate used to calculate the present value of the projected lease payments.

- (iv) “An explanation of why the sales or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.”

The lease of the property will assist in the elimination of blight by providing housing opportunities for a population – very low-income seniors – that is underserved by the market and therefore at serious risk of homelessness. In addition, the lease and development of this property will transform a vacant, underutilized parcel, bringing quality architecture, new homes, and neighborhood-serving community space to the community.

- (v) This report has been made available to the public at the offices of OCII, 1 South Van Ness Avenue, 5th Floor, San Francisco, California, no later than the time of publication of the first notice of hearing as mandated by California Health and Safety Code Section 33433.

GROUND LEASE

1751 CARROLL AVENUE SENIOR HOUSING

by and between the

**OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE AS
SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT
AGENCY**

as Landlord

and

CARROLL AVENUE SENIOR HOMES, L.P.

a California limited partnership

as Tenant

Dated as of November 19, 2013

IN WITNESS WHEREOF, the Tenant and OCII have executed this Ground Lease as of the day and year first above written.

OCII:
Office of Community Investment and Infrastructure, Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California

By: _____
Tiffany Bohee
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

TENANT:
Carroll Avenue Senior Homes, L.P., a California limited partnership

By: BHPMSS Bayview Seniors LLC,
a California limited liability company,
its managing general partner

By: Bayview Hunters Point Multipurpose Senior Services, Inc., a California nonprofit public benefit corporation,
its sole manager

By: _____
Cathy Davis, Executive
Director

By: Carroll Avenue Senior Homes MBS GP, Inc.,
a Missouri corporation, its co-general partner

By: _____
Michael Duffy, Vice President

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6. Intentionally Omitted.
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GROUND LEASE

This GROUND LEASE (this “Ground Lease” or “Lease”) is entered into as of November 19, 2013, (“Agreement Date”) by and between THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California (“OCII” or the “Landlord”), and Carroll Avenue Senior Homes, L.P., a California limited partnership (the “Tenant”).

RECITALS

- A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the “CRL”), the former San Francisco Redevelopment Agency (“Agency”) would undertake programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (the “City”).
- B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the “Project Area”) by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII is responsible for implementing the Bayview Hunters Point Redevelopment Plan (the “Redevelopment Plan”).
- C. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) (“AB 26”), as amended by California State Assembly Bill No. 1484 (“AB 1484”) (together the “Dissolution Laws”) the Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCII as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency’s successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing. Accordingly, under Ordinance 215-12 and Dissolution Law, OCII has the obligation and authority to enter into this Agreement to allow for the development of the Project as defined in Recital E below.

- D. On September 21, 2010, by Resolution No. 122-2010, the Agency Commission approved the purchase of the real property located at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042)(the "Site"). The Agency completed the purchase in February 2011.
- E. The Tenant, a limited partnership consisting of the following general partners: BHPMSS Bayview Seniors LLC, a California limited liability company ("BHPMSS" and "Managing General Partner") and Carroll Avenue Senior Homes MBS GP, Inc., a Missouri corporation ("MBS" and "Co-General Partner"), (both general partners of the Carroll Avenue Senior Homes limited partnership) intends to redevelop the Site with 120 very low-income senior rental housing units (plus one manager's unit) (the "Residential Space") and an approximately 14,000 square foot ground floor senior center (the "Non-Residential Space"), and parking spaces for the Residential Space and other ancillary uses on the Site (together, the "Project").
- F. It is the Tenant's intent to serve the needs of the seniors of the Bayview Hunters Point community by developing the Project to provide housing for 120 Very Low-Income Households (plus one manager's unit) with at least one member who is aged 62 years or older and to charge annual rent not to exceed thirty percent (30%) of fifty percent (50%) of Median Income adjusted for household size. Of the 120 units, 23 will be occupied by formerly chronically homeless seniors who will be referred from the Department of Public Health – Direct Access to Housing Program.
- G. The Agency and Bayview Supportive Housing, LLC, a California limited liability company ("BSH") entered into a Tax Increment Loan Agreement dated January 18, 2011 (the "Predevelopment Loan Agreement"), pursuant to which the Agency agreed to provide BSH with a predevelopment loan in an amount not to exceed \$684,000 (the "OCII Loan") to pay predevelopment expenses associated with the development of the Project. BSH (comprised of McCormack Baron Salazar, Inc. and Bayview Hunters Point Multipurpose Senior Services, Inc.) was initially established as the developer entity for the Project. Ultimately all agreements related to the Project, including any executed by BSH, will be assigned to the

Tenant.) The predevelopment loan was evidenced by a Promissory Note dated January 18, 2011. OCII and BSH entered into an Amended and Restated Tax Increment Loan Agreement, dated September 3, 2013, to increase the OCII Loan to an approximate amount of \$19,100,000 to pay for predevelopment costs and construction costs. Concurrent with execution of this Lease, the OCII Loan will be assigned to the Tenant in accordance with Article 16 of the OCII Loan.

- H. The Project has been identified by the Tenant, and approved by U.S. Department of Housing and Urban Development (“HUD”), as the first phase of off-site housing for qualified Alice Griffith public housing residents, under the \$30.5 million Choice Neighborhoods Implementation Grant (“CNI Grant”) award to Alice Griffith public housing/Eastern Bayview neighborhood. OCII has an enforceable obligation to ensure the development of the Alice Griffith public housing revitalization through the Hunters Point Shipyard Phase II/ Candlestick Point Development and Disposition Agreement. As the first phase of the Alice Griffith revitalization, the Project will prioritize leasing of Project units to Alice Griffith residents who want to live in a senior housing environment. Meanwhile all public housing units will be replaced on-site at Alice Griffith. This Project will be an added option for seniors living at Alice Griffith now who are interested in senior housing and may need better access to senior services.
- I. For purposes of implementation and to ensure consistency with the City’s overall affordable housing goals and priorities, the Mayor’s Office of Housing and Community Development (“MOHCD”) is providing project management, loan underwriting, construction monitoring and design review, including approving and processing loan disbursements in cooperation with OCII. Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law. Additionally, at the time of transfer to MOHCD, or subsequent to such transfer, the Tenant intends to transfer a portion of an adjacent parcel to MOHCD and the Ground Lease will be amended to reflect a revised legal description based on such transfer.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, OCII hereby leases to Tenant, and Tenant hereby leases from OCII, the Site, for the term, and subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which OCII and Tenant hereby mutually agree.

ARTICLE 1: DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Article 1, unless the context clearly requires otherwise.

1.01 “Agency” has the meaning set forth in Recital A.

1.02 “Agreement Date” means the date that this Ground Lease is deemed to be entered into, as set forth on the cover page.

1.03 “Area Median Income” (or “AMI”) means the area median income as determined by the United States Department of Housing and Urban Development for the San Francisco Primary Metropolitan Statistical Area, adjusted solely for actual household size, and as published annually by MOHCD.

1.04 “Co-General Partner” has the meaning given in Recital E.

1.05 “Construction Documents” has the meaning given in Section 10.01.

1.06 “Conversion Date” the date that the construction financing on the property converts to permanent financing.

1.07 “Critical Activity(ies)” means an activity or item of Work which, if delayed or extended, will delay Substantial Completion or the Final Completion Date.

1.08 “Effective Date” means the date upon which the Ground Lease shall commence, as further set forth in Section 2.1(a).

1.09 “First Mortgage Lender” means a bank or other entity holding the first deed of trust on the Leasehold Estate, and in the event of the bond financing, the bond trustee (if any) and the entity purchasing the bonds shall both be First Mortgage Lender.

1.10 “First Lease Payment Year” means the year in which the project receives a Certificate of Occupancy for all residential units.

1.11 “General Partners” means Tenant’s general partners, including the Managing General Partner and the Co-General Partner.

1.12 “Ground Lease” means this Ground Lease of the Site to the Tenant from

OCII, as amended from time to time.

1.13 “Improvements” means all physical construction, including all structures, fixtures and other improvements to be constructed on the Site.

1.14 “Lease Year” means each calendar year during the term hereof, beginning on January 1 and ending on December 31.

1.15 “Leasehold Estate” means the estate held by the Tenant pursuant to and created by this Ground Lease.

1.16 “Leasehold Mortgage” means any mortgage, deed of trust, trust indenture, letter of credit or other security instrument, including but not limited to the deeds of trust securing any Lender, and any assignment of the rents, issues and profits from the Site, or any portion thereof, which constitute a lien on the Leasehold Estate created by this Ground Lease and have been approved in writing by the Landlord.

1.17 “Lender” means any entity holding a Leasehold Mortgage.

1.18 “Loan Documents” means that certain Tax Increment Loan Agreement, Note, Deed of Trust, Declaration of Restrictions, and any other documents executed or delivered in connection with the OCII Loan, all dated September 3, 2013, as amended.

1.19 “Managing General Partner” has the meaning given in Recital E.

1.20 “MOHCD” shall have the meaning given in Recital I.

1.21 “Non-Residential Space” has the meaning given in Recital E.

1.22 “Non-Residential Tenant” shall mean the subleasehold tenant of the Non-Residential Space pursuant to the terms of a sublease by and between Tenant and a social services provider. The initial social services provider shall be Bayview Hunters Point Multipurpose Senior Services, Inc., a California nonprofit public benefit corporation.

1.23 “Occupant” means any person or entity authorized by Tenant to occupy a residential unit on the Site, or any portion thereof.

1.24 “OCII Loan” has the meaning set forth in Recital G.

1.25 “Premises” means the Site together with any Improvements thereon.

1.26 “Project” has the meaning given in Recital E. If indicated by context, “Project” means the leasehold interest in the Site and the fee interest in the Improvements on the Site.

1.27 “Residential Space” has the meaning given in Recital E.

1.28 “Residential Units” has the meaning given in Section 9.02.

1.29 “Site” means the real property shown in the Site Legal Description, Attachment 1 and defined in Recital D.

1.30 “Subsequent Owner” means any successor (including a Lender or an affiliate or assignee of a Lender as applicable) to the Tenant’s interest in the Leasehold Estate and the Improvements following a foreclosure, deed in lieu of foreclosure, or transfer to a Lender, its affiliate, and any successors to any such person or entity.

1.31 “Tenant” means Carroll Avenue Senior Homes, L.P., a California limited partnership or its permitted successors as holder of the leasehold estate in the Site and fee ownership of the Improvements, including, a Subsequent Owner, where appropriate.

1.32 “Very Low-Income Households” means (a) households earning no more than fifty percent (50%) of Area Median Income, for a term of 55 years from the date on which a Certificate of Occupancy is issued for the Project, and (b) households earning no more than sixty percent (60%) of Area Median Income for any period of the term (or extended term) of this Ground Lease thereafter, as determined by HUD for the San Francisco area, adjusted solely for actual household size, but not high housing cost area.

Whenever an Attachment is referenced, it means an attachment to this Ground Lease unless otherwise specifically identified. Whenever a section, article or paragraph is referenced, it is a reference to this Ground Lease unless otherwise specifically referenced.

ARTICLE 2: TERM

(a) Initial Term. The term of this Ground Lease shall commence upon the Effective Date (and Tenant shall be entitled to possession of the Site as of such date) and shall end fifty-five (55) years from that date (the “Initial Term”), unless extended pursuant to subsection (b) below.

(b) Option for Extension. Provided that the Tenant is not in default of the terms of its obligations to the City either at the time of giving of an Extension Notice, as described in subparagraph (c) below, or on the last day of the Initial Term (the “Termination Date”), the term of this Ground Lease may be extended at the option of the Tenant for one forty-four (44) year period as provided below.

(c) Notice of Extension. Not later than one hundred eighty (180) days prior to the Termination Date, the Tenant may notify the Landlord in writing that it wishes to exercise its option to extend the term of this Ground Lease (an “Extension Notice”). The

extended term shall be for forty-four (44) years from the Termination Date, which option the Tenant may exercise only once, for a total Ground Lease term of not to exceed ninety-nine (99) years.

(d) Rent During Extended Term Rent for any extended term will be as set forth in Article 4.

ARTICLE 3: FINANCING

Tenant shall submit to the City in accordance with the dates specified in the Schedule of Performance, Attachment 3, for approval by OCII, evidence satisfactory to OCII that Tenant has sufficient equity capital and commitments for construction and permanent financing, and/or such other evidence of capacity to proceed with the construction of the Improvements in accordance with this Ground Lease, as is acceptable to the Executive Director of OCII.

ARTICLE 4: RENT

4.01 Annual Rent

(a) Tenant shall pay OCII Five Hundred Eighty One Thousand Dollars (\$581,000.00) per year for lease of the Site, consisting of Base Rent and Residual Rent, as defined in Sections 4.02 and 4.03 below and subject to the provisions thereof, without offset of any kind and without necessity of demand, notice or invoice from the Landlord (together, "**Annual Rent**"). OCII has determined that this rent accurately reflects [ten percent (10%)] of the appraised value of the Site, Annual Rent shall be redetermined on the fifteenth (15th) anniversary of the expiration of the First Lease Payment Year and every fifteen (15) years thereafter, [and shall be equal to ten percent (10%) of the appraised value of the Site] as determined by an MAI appraiser selected by and at the sole cost of Tenant. Based on the appraised value, the Annual Rent shall be adjusted based on actual value.

(b) If the Tenant elects to extend the term of this Ground Lease beyond the Initial Term, Annual Rent during any such extended term shall be set by mutual agreement of the parties, taking into account the affordable housing restrictions contained in Section 9.02, project debt and the annual income expected to be generated by the Project. If the parties cannot agree on Annual Rent for the extended term, either party may invoke a neutral third-party process to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco

taking into account the affordable housing restrictions contained in Section 9.02 or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Provided, however, that after the neutral third party process, Tenant, in its sole discretion may rescind its extension notice if it does not wish to extend the term of this Ground Lease.

4.02 Base Rent

(a) "Base Rent", means, in any given Lease Year commencing with the First Lease Payment Year, Fifteen Thousand Dollars (\$15,000). Base Rent shall be due and payable in arrears on January 31st of each Lease Year; provided, however, Base Rent for the First Lease Payment Year shall be due on the January 31st of the following calendar year, and shall be equal to Fifteen Thousand Dollars (\$15,000) times the number of days in the First Lease Payment Year, divided by three hundred sixty-five (365); and provided, further, that in the event that the Tenant (other than a Subsequent Owner) fails to comply with the provisions of Section 9.02, Base Rent shall be increased to the full amount of Annual Rent until such time as the Project achieves compliance with the provisions of Section 9.02, and in the event that a Subsequent Owner elects pursuant to Section 26.06(ii) to operate the Project without being subject to Section 9.02 or any Subsequent Owner elects, pursuant to Section 26.06(ii), to operate the Project without compliance with such provisions, Annual Rent shall be adjusted as provided in Section 26.07.

(b) "Project Income" means all income and receipts in any form received by Tenant from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), and accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Tenant in connection with the Project. Project Income shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances. Except as otherwise provided in Section 26.07(a), if the Project does not have sufficient Project Income to pay Base Rent in any given Lease Year after the payment of Project Expenses in items (a) through (e) in definition of Project Expenses, below, and OCII has received written notice from Tenant regarding its inability to pay Base Rent from Project Income, the unpaid amount shall be deferred and all such deferred amounts shall accrue without interest until paid ("**Base Rent Accrual**"). The Base Rent Accrual shall be

due and payable each year, to the extent available from Surplus Cash in accordance with Section 6.02(h).

(c) "Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Lease or by any Lender; (b) salaries, wages and any other compensation due and payable to the employees or agents of Tenant employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on the senior financing secured by the Site and used to finance the Project that has been approved by OCII; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account as required under the Loan Documents; (f) annual Base Rent payments; (g) the approved annual asset management fees indicated in the Annual Operating Budget (as such term is defined in the Loan Documents) and approved by the OCII, including, but not limited to, an annual partnership management fee in the amount of \$18,420, increasing by 3% annually, payable to the Tenant's general partners; and (h) any extraordinary expenses approved in advance by the OCII (other than expenses paid from any reserve account). Project Fees are not Project Expenses.

(d) "Project Fees" means (i) an annual partnership management fee in the amount of \$18,420, increasing by 3% annually, payable to the Tenant's general partners, (ii) an annual asset management fee in the amount of \$6,000, increasing annually by 3%, payable to Tenant's limited partners, and (iii) deferred developer fees approved by the Lender pursuant to the Loan Documents.

(c) There shall be a late payment penalty of two percent (2%) for each month or any part thereof if Base Rent payment is delinquent. This penalty shall not apply to Base Rent Accrual pursuant to Section 4.02(b). The Tenant may request in writing that OCII waive such penalties by describing the reasons for Tenant's failure to pay Base Rent and Tenant's proposed actions to insure that Base Rent will be paid in the future. OCII may, in

its sole discretion, waive in writing all or a portion of such penalties if it finds that Tenant's failure to pay Base Rent was beyond Tenant's control and that Tenant is diligently pursuing reasonable solutions to such failure to pay.

4.03 Residual Rent

"Residual Rent" means, in any given Lease Year, Five Hundred Sixty Six Thousand Dollars (\$566,000.00). Residual Rent shall be due in arrears on or before June 1st of each Lease Year commencing with the First Lease Payment Year; provided however, Residual Rent for the First Lease Payment Year shall be due on the June 1st of the following calendar year, and shall be equal to Five Hundred Sixty Six Thousand Dollars (\$566,000.00) times the number of days in the First Lease payment Year divided by three hundred sixty five (365). Except as otherwise provided in Section 26.07(a)(2)(C), Residual Rent shall be payable only to the extent of Surplus Cash as provided in Section 6.02(h), and any unpaid Residual Rent shall not accrue. However, in the event that Surplus Cash is insufficient to pay the full amount of the Residual Rent, Tenant shall certify to the City in writing by April 15 that available Surplus Cash is insufficient to pay Residual Rent and Tenant shall provide to OCII any supporting documentation reasonably requested by OCII to allow OCII to verify the insufficiency.

4.04 Surplus Cash

"Surplus Cash" means all Project Income in any given Lease Year remaining after payment of Project Expenses and Project Fees. The amount of Surplus Cash will be based on figures contained in audited financial statements. Distributions of Surplus Cash shall not exceed the amount of unrestricted cash at the end of Tenant's fiscal year. All permitted uses and distributions of Surplus Cash shall be governed by Section 6.02(h) of this Ground Lease.

4.05 Triple Net Lease

This Ground Lease is a triple net lease and the Tenant shall be responsible to pay all costs, charges, taxes, impositions and other obligations related thereto. If OCII pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, OCII will be entitled to be reimbursed by Tenant the full amount of such payments as additional rent within thirty (30) days of written demand by OCII. Failure to timely pay the additional rent shall be an Event of Default, subject to applicable notice and cure periods.

ARTICLE 5: OCII COVENANTS

OCII covenants and warrants that the Tenant and its subtenants shall have, hold and enjoy, during the lease term, peaceful, quiet and undisputed possession of the Site leased without hindrance or molestation by or from anyone so long as the Tenant is not in default under this Ground Lease. Landlord represents that it is lawfully acting as the successor public agency to the Agency and is the fee simple owner of the Site. All necessary actions by any board of directors, managers, or other applicable persons necessary for the due authorization, execution, delivery and performance of this Ground Lease by the Landlord have been duly taken.

ARTICLE 6: TENANT COVENANTS

Tenant covenants and agrees for itself, and its successors and assigns to or of the Site, or any part thereof, that:

6.01 Limited Partnership/Authority

Tenant is a California limited partnership and has full rights, power and authority to enter into and perform its obligations under this Ground Lease.

6.02 Use of Site and Rents

During the term of this Ground Lease, Tenant and such successors and assigns shall comply with the following requirements:

6.02(a) Permitted Uses

Except as provided in Sections 26.06 and 26.07, devote the Site to, exclusively and in accordance with, the uses specified in this Ground Lease, as specified in Article 9 hereof, which are the only uses permitted by this Ground Lease.

6.02(b) Non-Discrimination

Tenant shall not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, sex, gender identity, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or the Improvements, or any part thereof, nor shall Tenant itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of Occupants, subtenants or vendees on the Site or Improvements, or any part

thereof, except to the extent permitted by law or required by funding source. Tenant shall not discriminate against tenants with certificates or vouchers under the Section 8 program or any successor rent subsidy program.

6.02(c) Non-Discriminatory Advertising

All advertising (including signs) for sublease of the whole or any part of the Site shall include the legend "Equal Housing Opportunity" in type or lettering of easily legible size and design.

6.02(d) Access for Disabled Persons

Comply with all applicable laws providing for access for persons with disabilities, including, but not limited to, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

6.02(f) Lead Based Paint

Tenant agrees to comply with the regulations issued by the Secretary of HUD set forth in 24 CFR Part 35 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in certain residential structures undergoing federally assisted construction and require the elimination of lead-based paint hazards.

6.02(h) Permitted Uses of Surplus Cash

All annual Project Income shall be used to pay Project Expenses, including, but not limited to Base Rent, and Project Fees. Any cash remaining after payment of each and all of the above-mentioned obligations shall be deemed Surplus Cash. Provided Tenant is not currently in default (subject to applicable notice and cure periods) under the terms of this Ground Lease, Tenant shall use Surplus Cash to make the following payments:

The lesser of one-third of remaining Surplus Cash or \$50,000 shall be paid to Tenant, of which 10% will be paid to Tenant's Permitted Limited Partner and 90% will be paid to Tenant's Co-General partner as an incentive management fee. The remaining Surplus Cash shall be paid to OCII ("OCII's Portion". OCII's Portion of Surplus Cash will be applied first to Accrued Base Rent, then the balance to Residual Rent and the remaining balance 77.15% to repayment of the OCII Loan and 22.85% to repayment of the MOHCD State Infill and Infrastructure Loan. In the event one of the two foregoing loans

is repaid, the remaining balance of OCII's Portion shall go toward repayment of the outstanding loan until paid.

Upon cure of any default under this Ground Lease, Tenant shall be permitted to make payments of Surplus Cash as provided in this Section 6.02(h).

6.03 OCII Deemed Beneficiary of Covenants

In amplification, and not in restriction, of the provisions of the preceding subsections, it is intended and agreed that OCII shall be deemed beneficiary of the agreements and covenants provided in this Article 6. Such agreements and covenants shall run in favor of OCII for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether OCII has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. OCII shall have the right, in the event of any breach of any such agreements or covenants, in each case, after notice and the expiration of cure periods, to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it may be entitled.

ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION

Forty-five (45) days after recordation of a Notice of Completion by the Tenant for the Project, and on May 31st of each year thereafter, Tenant will furnish to OCII a list of all of the names of the persons who are Occupants of the Improvements, the specific unit which each person occupies, the household income of the Occupants of each unit, the household size and the rent being charged to the Occupants of each unit, subject to all applicable local, state and federal laws limiting or restricting the disclosure of such information. If any state or federal agency requires an income certification for Occupants of the Improvements containing the above-referenced information, OCII agrees to accept such certification in lieu of Attachment 8 as meeting the requirements of this Ground Lease. In addition to such initial and annual list and certification, Tenant agrees to provide the same information and certification to OCII regarding each Occupant of the Improvements not later than ten (10) business days after such Occupant commences occupancy.

ARTICLE 8: CONDITION OF SITE - "AS IS"

Neither OCII, nor any employee, agent or representative of OCII has made any representation, warranty or covenant, expressed or implied, with respect to the Site, its physical condition, the condition of any improvements, any environmental laws or regulations, or any other matter, affecting the use, value, occupancy or enjoyment of the Site other than as set forth explicitly in this Ground Lease, and the Tenant understands and agrees that OCII is making no such representation, warranty or covenant, expressed or implied; it being expressly understood that the Site is being leased in an "AS IS" condition with respect to all matters.

ARTICLE 9: IMPROVEMENTS AND PERMITTED USES

9.01 Scope of Development and Schedule of Performance

Tenant agrees to undertake and complete all physical construction on the Site as approved by the City, in accordance with the Schedule of Performance, Attachment 3, subject to force majeure.

9.02 Permitted Uses and Occupancy Restrictions

The permitted uses of the Project are limited to one hundred twenty (120) residential dwelling units, plus one (1) manager's unit ("Residential Units"), ground floor common areas, and the Non-Residential Space. Upon the completion of construction, one hundred percent (100%) of the Residential Units, with the exception of the manager's unit, in the Project shall be occupied or held vacant and available for rental by Very Low Income-Households, with at least one member who is at least 62 years or older. Rent levels shall comply with Section 7.3 "Rent Restrictions" in the Loan Agreement.

ARTICLE 10: CONSTRUCTION OF IMPROVEMENTS

10.01 General Requirements and Rights of City

Construction documents for the construction of the Improvements by Tenant (the "Construction Documents") shall be prepared by a person registered in and by the State of California to practice architecture and shall be in conformity with the Loan Documents and this Ground Lease, including any limitations established in OCII's approval of the schematic drawings, if any, preliminary construction documents, and final construction documents for the Project, and all applicable Federal, State and local laws and regulations. The architect shall use, as necessary, members of associated design professions, including

engineers and landscape architects

10.02 OCII Approvals and Limitation Thereof

The Construction Documents must be approved by OCII in the manner set forth below:

10.02(a) Compliance with Redevelopment Plan and Ground Lease

OCII's approval with respect to the Construction Documents is limited to determination of their compliance with the Loan Documents and this Ground Lease, including, if applicable, the scope of development (these enumerated documents are for convenience sometimes called "Redevelopment Requirements"). The Construction Documents shall be subject to general architectural review and guidance by OCII as part of this review and approval process.

10.02(b) OCII Does Not Approve Compliance with Construction Requirements

OCII's approval is not directed to engineering or structural matters or compliance with building codes and regulations, the Americans with Disabilities Act, or any other applicable State or Federal law relating to construction standards or requirements.

10.02(c) OCII Determination Final and Conclusive

OCII's determination respecting the compliance of the Construction Documents with Redevelopment Requirements shall be final and conclusive (except that it makes no determination and has no responsibility for the matters set forth in Section 10.02(b), above).

10.03 Construction to be in Compliance with Construction Documents and Law

10.03(a) Compliance with City Approved Documents

The construction shall be in substantial compliance with the OCII-approved Construction Documents.

10.03(b) Compliance with Local, State and Federal Law

The construction shall be in strict compliance with all applicable local, State and Federal laws and regulations.

10.04 Approval of Construction Documents by OCII

Tenant shall submit and OCII shall approve or disapprove the Construction Documents referred to in this Ground Lease within the times established in the Schedule of Performance. Failure by OCII either to approve or disapprove within the times established in the Schedule of Performance shall entitle Tenant to a day-for-day extension of time for completion of any Critical Activities delayed as a direct result of Landlord's failure to timely approve or disapprove the Construction Documents.

10.05 Disapproval of Construction Documents by OCII

If OCII disapproves the Construction Documents in whole or in part as not being in compliance with Redevelopment Requirements or this Ground Lease, Tenant shall submit new or corrected plans which are in compliance within thirty (30) days after written notification to it of disapproval, and the provision of this section relating to approval, disapproval and re-submission of corrected Construction Documents shall continue to apply until the Construction Documents have been approved by the City; provided, however, that in any event Tenant must submit satisfactory Construction Documents (i.e., approved by the City) no later than the date specified therefor in the Schedule of Performance.

10.06 Closing Construction Documents To Be Approved by OCII

The final Construction Documents, including all drawings, specifications and other related documents necessary for the construction of the Improvements in accordance with the requirements of this Ground Lease must be approved by OCII (the "Closing Construction Documents"). Notwithstanding anything to the contrary contained in this Article 10, OCII hereby acknowledges that the Construction Documents and the Closing Construction Documents were approved by OCII prior to the date of this Ground Lease.

10.07 Issuance of Building Permits

(a) Tenant shall have the sole responsibility for obtaining all necessary building permits and shall make application for such permits directly to the City's Department of Building Inspection. Tenant shall report permit status every thirty (30) days to the City. Failure to timely file and to diligently pursue issuance of permits shall be a breach of this Ground Lease.

(b) The Tenant is advised that the Central Permit Bureau will forward

all building permits to OCII for approval of compliance with Redevelopment Requirements. Since the City's review of Construction Documents is limited (see Section 10.02a, above), its approval of compliance with Redevelopment Requirements is similarly limited and does not include Section 10.02b matters. City evidences such compliance by signing the permit and returning the permit to the Central Permit Bureau for issuance directly to the Tenant. Approval of any intermediate permit, however, is not approval of compliance with all Redevelopment Requirements necessary for a full and final building permit.

10.08 Performance and Payment Bonds

Prior to commencement of construction of the Improvements, Tenant shall deliver to OCII performance and payment bonds, each for the full value of the cost of construction of the Improvements, which bonds shall name, among other parties, OCII as co-obligee, or such other completion security which is acceptable to OCII.

10.09 OCII Approval of Changes after Commencement of Construction

Once construction has commenced, Tenant may not approve or permit any change orders to the plans and specifications approved by OCII without OCII's prior written approval unless waived by OCII. Unless otherwise specified by OCII in writing, permission to make such changes shall be requested by Tenant in writing directed to OCII, with a copy to the OCII Architecture Division Manager (or to such other person as may be designated from time to time by OCII), and the MOHCD Construction Manager. OCII will provide written approval or disapproval of each change order within ten (10) calendar days of receipt of request therefor for items that do not impact the critical path of the construction schedule and within three (3) calendar days of receipt of request therefor for items that do impact the critical path of the construction schedule. If the request is disapproved, the reply must specify the reasons for the disapproval.

10.10 Times for Construction

Tenant agrees for itself, and its successors and assigns to or of the Leasehold Estate or any part thereof, that Tenant and such successors and assigns shall promptly begin and diligently prosecute to completion the redevelopment of the Site through the construction of the Improvements thereon, and that such construction shall in any event commence and thereafter diligently continue and shall be completed no later than the dates specified in the

Schedule of Performance, unless such dates are extended by OCII, force majeure or Landlord's default.

10.11 Force Majeure

For the purposes of any of the provisions of this Ground Lease, neither OCII nor Tenant, as the case may be, shall be considered in breach or default of its obligations, nor shall there be deemed a failure to satisfy any conditions with respect to the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations or satisfaction of such conditions, due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government (excluding OCII, MOHCD and the City), fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, general scarcity of materials and unusually severe weather or delays of subcontractors due to such causes; it being the purposes and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for the satisfaction of conditions to this Ground Lease including those with respect to construction of the Improvements, shall be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this paragraph shall have notified the other party thereof in writing of the cause or causes thereof within thirty (30) days after the beginning of any such enforced delay and requested an extension for the period of the enforced delay; and, provided further, that this paragraph shall not apply to, and nothing contained in this paragraph shall extend or shall be construed to extend, the time of performance of any of Tenant's obligations to be performed prior to the commencement of construction, nor shall the failure to timely perform pre-commencement of construction obligations extend or be construed to extend Tenant's obligations to commence, prosecute and complete construction of the Improvements in the manner and at the times specified in this Ground Lease.

10.12 Reports

Subsequent to commencement of construction of the Improvements and until completion, Tenant shall make a report in writing to OCII every three (3) months, in such detail as may reasonably be required by OCII, as to the actual progress of the Tenant with respect to such construction. During such period, the work of the Tenant shall be subject to

inspection by representatives of OCII, at reasonable times and upon reasonable advance notice.

10.13 Access to Site

Tenant shall permit access to the Site to OCII whenever and to the extent necessary to carry out the purposes of the provisions of this Ground Lease, at reasonable times and upon reasonable advance notice of no less than twenty four (24) hours and subject to the rights of tenants under any applicable leases or subleases.

10.14 Notice of Completion

Promptly upon completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, Tenant shall submit to OCII for approval a Notice of Completion (“NOC”), and record such approved NOC in the San Francisco Recorder’s Office. Tenant shall provide OCII with a copy of the recorded NOC.

ARTICLE 11: COMPLETION OF IMPROVEMENTS

11.01 Certificate of Completion – Issuance

Promptly after completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, within fifteen (15) days following the request of Tenant, OCII will furnish Tenant with an appropriate instrument so certifying. Such certification by OCII shall be a conclusive determination of satisfaction and termination of the agreements and covenants of this Ground Lease with respect to the obligation of Tenant, and its successors and assigns, to construct the Improvements in accordance with approved Closing Construction Documents and the dates for the beginning and completion thereof; provided, however, that such certification and such determination shall not constitute evidence of compliance with, or satisfaction of, any obligation of Tenant to any Lender, or any insurer of a mortgage, securing money loaned to finance the construction or any part thereof; provided further, that OCII issuance of any Certificate of Completion does not relieve Tenant or any other person or entity from any and all OCII requirements or conditions to occupancy of the Improvements, which requirements or conditions must be complied with separately.

11.02 Certifications to be Recordable

All certifications provided for in this section shall be in such form as will enable them to be recorded with the Recorder of the City.

11.03 Certification of Completion - Non-Issuance Reasons

If OCII shall refuse or fail to provide any certification in accordance with the provisions of Section 11.01, OCII shall provide Tenant with a written statement, within fifteen (15) days after receipt of the original written request by Tenant, indicating in adequate detail in what respects Tenant has failed to complete the construction of the Improvements in accordance with the provisions of this Ground Lease or is otherwise in default hereunder and what measures or acts will be necessary, in the opinion of OCII, for Tenant to take or perform in order to obtain such certification.

ARTICLE 12: CHANGES TO THE IMPROVEMENTS

12.01 Post Completion Changes OCII has a particular interest in the Site and in the nature and extent of the permitted changes to the Improvements. Accordingly, it desires to and does hereby impose the following particular controls on the Site and on the Improvements: during the term of this Ground Lease, neither Tenant, nor any voluntary or involuntary successor or assign, shall make or permit any Change in the Improvements, as Change is hereinafter defined, unless the express prior written consent for any Change shall have been requested in writing from OCII and obtained, and, if obtained, upon such terms and conditions as OCII may require. OCII agrees not to withhold or delay its response to such a request unreasonably.

12.02 Definition of Change

“Change” as used in this Article means any material alteration, modification, addition and/or substitution of or to the Site, the Improvements, and/or the density of development which differs materially from that which existed upon the completion of construction of the Improvements in accordance with this Ground Lease, and shall include without limitation the exterior design, exterior materials and/or exterior color, and/or relocation or removal of either the control room, the transformer room, or both. For purposes of the foregoing, exterior shall mean and include the roof of the Improvements. Notwithstanding the foregoing, nothing in this Section 12.02 shall be construed to restrict the Tenant’s and its subtenants right to (i) make non-material interior modifications, including, without limitation, modifications to and substitutions of interior décor, or repairs to or replacements of fixtures, appliances and other equipment relating to the Site or Improvements in the normal course of operation and maintenance of the Premises as long

as such replacements are of similar quality and provide the same level of service, or (ii) make or perform any repairs or modifications in an emergency situation in which a delay in such repairs or modifications could pose a safety hazard to tenants, the public, or adjoining property owners.

12.03 Enforcement

OCII shall have any and all remedies in law or equity (including without limitation restraining orders, injunctions and/or specific performance), judicial or administrative, to enforce the provisions of this Article 12, including without limitation any threatened breach thereof or any actual breach or violation thereof.

ARTICLE 13: TITLE TO IMPROVEMENTS

Fee title to any Improvements shall be vested in Tenant and shall remain vested in Tenant during the term of this Ground Lease, subject to Section 14.01 below. Subject to the rights of any Lenders and as further consideration for OCII entering into this Ground Lease, at the expiration or earlier termination of this Ground Lease, fee title to all the Improvements shall vest in OCII without further action of any party, without any obligation by OCII to pay any compensation therefor to Tenant and without the necessity of a deed from Tenant to OCII.

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Tenant

Subject to Article 26, Tenant may not (i) sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Ground Lease or in the Improvements or any portion thereof, other than to Lender(s) or the Non-Residential Tenant, or allow any person or entity to occupy or use all or any part of the Site, other than leases to residential tenants in the ordinary course of business and, as applicable, use of the Non-Residential Space, or (ii) contract or agree to do any of the same, without the prior written approval of OCII, which approval shall not be unreasonably withheld or delayed. Tenant may sell, assign, convey, sublease or transfer its interests in this Ground Lease and in the Improvements to an affiliate of Carroll Avenue Senior Homes, L.P., or its successor in interest with thirty (30) days' prior written notice to OCII.

OCII reserves the right to review and approve the form of any leases or subleases for the Non-Residential Space, which approval shall not be unreasonably withheld,

conditioned or delayed. The parties agree that if the uses in the NonResidential Space changes the parties will meet and confer to determine if the City's Policy of Commercial Space in City/OCII Funded Housing Developments would apply and if so the provisions of the policy will be applied.

14.02 Assignment, Sublease or Other Conveyance by Landlord

The parties acknowledge that any sale, assignment, transfer or conveyance of all or any part of OCII's interest in the Site, the Improvements, or this Ground Lease, is subject to this Ground Lease. OCII will not encumber its fee interest in the Site. OCII will require that any purchaser, assignee or transferee expressly assume all of the obligations of OCII under this Ground Lease by a written instrument recordable in the Official Records of the City. This Ground Lease shall not be affected by any such sale, and Tenant shall attorn to any such purchaser or assignee. In the event that OCII intends to sell all or any part of the Site, OCII shall notify Tenant of the proposed terms of such sale not later than ninety (90) days before the anticipated close of escrow. Tenant shall have sixty (60) days from the giving of such notice to exercise a right of first refusal to purchase the Site on the same terms and conditions of such proposed sale.

ARTICLE 15: TAXES

Tenant agrees to pay, or cause to be paid, prior to delinquency to the proper authority, any and all valid taxes, assessments and similar charges imposed on the Site during the term of this Ground Lease, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Site, which shall be paid by Landlord. Tenant shall not be required to pay or discharge any taxes that are based on net or gross income (including any capital gain) or any value added, franchise, estate, inheritance, capital, doing business or similar taxes of the Landlord. Tenant shall not permit any such taxes, charges or other assessments to become a defaulted lien on the Site or the Improvements thereon; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, Tenant may make, or cause to be made, payment in installments; and, provided further, that Tenant may contest the legal validity or the amount of any tax, assessment or similar charge, through such proceedings as Tenant considers necessary or appropriate, and Tenant may defer the payment thereof so long as the validity or amount thereof shall be contested by Tenant in good faith and

without expense to OCII. In the event of any such contest, Tenant shall protect, defend and indemnify OCII against all loss, cost, expense or damage resulting therefrom, and should Tenant be unsuccessful in any such contest, Tenant shall forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar charge. OCII shall furnish such information as Tenant shall reasonably request in connection with any such contest provided that such information is otherwise available to the public.

ARTICLE 16: UTILITIES

Tenant shall procure water and sewer service from the City and electricity, telephone, natural gas and any other utility service from the City or utility companies providing such services, and shall pay all connection and use charges imposed in connection with such services. As between OCII and Tenant, Tenant shall be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service. OCII shall join in the conveyance of grants of easement reasonably necessary for such utilities and the development of the Premises.

ARTICLE 17: MAINTENANCE

Tenant, at all times during the term hereof, shall maintain or cause to be maintained the Premises in good condition and repair to the reasonable satisfaction of OCII, including the exterior, interior, substructure and foundation of the Improvements and all fixtures, equipment and landscaping from time to time located on the Site or any part thereof. OCII shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Site or any buildings or improvements now or hereafter located thereon.

ARTICLE 18: LIENS

Tenant shall use its best efforts to keep the Premises free from any liens arising out of any work performed or materials furnished by itself or its subtenants. In the event that Tenant shall not cause the same to be released of record or bonded around within twenty (20) business days following written notice from OCII of the imposition of any such lien, OCII shall have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All sums paid by OCII for such

purpose, and all reasonable expenses incurred by it in connection therewith, shall be payable to OCII by Tenant on demand; provided, however, OCII shall have the right, upon posting of an adequate bond or other security, to contest any such lien, and OCII shall not seek to satisfy or discharge any such lien unless Tenant has failed so to do within ten (10) business days after the final determination of the validity thereof. In the event of any such contest, Tenant shall protect, defend, and indemnify OCII against all loss, cost, expense or damage resulting therefrom.

ARTICLE 19: GENERAL REMEDIES

19.01 Application of Remedies

The provisions of this Article 19 shall govern the parties' remedies for breach of this Ground Lease.

19.02 Notice and Cure Rights for Tenant Limited Partner

(a) OCII may not exercise its remedies under this Ground Lease for a default by the Tenant unless and until (i) OCII has given written notice of any such default, in accordance with the notice provisions of Article 39, to Tenant and the "Permitted Limited Partner" identified in Article 39, and any other limited partners who have requested notice as set forth below (collectively, the "Permitted Limited Partners"), and (ii) such default has not been cured within sixty (60) days following the giving of such notice or, if such default cannot be cured within such sixty (60) day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such sixty (60) day period and is being prosecuted diligently to completion. If a Permitted Limited Partner cannot cure a default due to an automatic stay in bankruptcy court because a general partner of the Tenant is in bankruptcy, any cure period will be tolled during the pendency of such automatic stay.

(b) OCII will not exercise its remedy to terminate this Ground Lease if a Permitted Limited Partner is attempting to cure the default and such cure requires removal of a General Partner, so long as the Permitted Limited Partner is proceeding diligently to remove the defaulting General Partner in order to effect a cure of such default.

(c) Any limited partner, other than the limited partner identified in Article 39, wishing to become a Permitted Limited Partner must provide five (5) days written notice to OCII in accordance with the notice provisions of this Ground Lease, setting forth a notice

address and providing a copy of such notice to the Tenant and all of the Tenant's general partners. Such limited partner will become a Permitted Limited Partner upon the expiration of the five (5) day period. A limited partner will not be afforded the protections of this section with respect to any default occurring prior to the time such limited partner becomes a Permitted Limited Partner.

19.03 Breach by OCII

If Tenant believes a material breach of this Ground Lease has occurred, Tenant shall first notify OCII in writing of the purported breach, giving OCII sixty (60) days from receipt of such notice to cure such breach. In the event OCII does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant shall be afforded all of its rights at law or in equity by taking any or all of the following remedies: (i) terminating in writing this entire Ground Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Ground Lease; or (iv) any other remedy available at law or equity.

19.04 Breach by Tenant

19.04(a) Default by Tenant

The following events, if not cured in the time periods set forth in Section 19.04(b) shall each constitute an "Event of Default" hereunder:

- (1) Tenant fails to comply with the Permitted Uses and Occupancy Restrictions set forth in Section 9.02;
- (2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Ground Lease or any rights in this Ground Lease, or in the Improvements, except as permitted by this Ground Lease;
- (3) Tenant, or its successor in interest, shall fail to pay taxes or assessments in accordance with Article 15, or shall place on the Site any encumbrance or lien in violation of this Ground Lease, or shall suffer any levy or attachment to be made, or any material supplier's or mechanic's lien or any other encumbrance or lien to attach in violation of the terms of this Lease, and such taxes or assessments

shall not have been paid, or the encumbrance or lien removed or discharged in accordance with the terms of this Lease; provided, however, that Tenant shall have the right to contest any tax or assessment pursuant to Article 15 and Article 18 and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant shall protect, indemnify and hold OCII harmless against all losses and damages, including reasonable attorneys' fees and costs resulting therefrom;

- (4) Tenant shall be adjudicated bankrupt or insolvent or shall make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or bring or have brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the same within ninety (90) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within ninety (90) days;
- (5) Tenant breaches any other material provision of this Ground Lease;
- (6) Tenant fails to pay any portion of Annual Rent when due in accordance with the terms and provisions of this Ground Lease.

19.04(b) Notification and OCII Remedies

Upon the occurrence of any Event of Default, OCII shall notify Tenant, the Permitted Limited Partners, and each Lender in writing of the Tenant's purported breach, failure or act, giving Tenant sixty (60) days from receipt of such notice to cure such breach, failure or act. In the event Tenant, the Permitted Limited Partners or any Lender does not cure or, if the breach, failure or act is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then, subject to the rights of any Lender and subject to Section 19.02 and Article 26, and except as otherwise provided in Article 49, OCII thereafter shall

be afforded all of its rights at law or in equity, including any or all of the following remedies: (1) terminating in writing this Ground Lease; (2) prosecuting an action for damages; or (3) seeking specific performance of this Ground Lease; or (4) in the case of an Event of Default under Section 19.04(a)(1), increasing the Base Rent to the full amount of the Annual Rent.

19.04(c) Limitation on OCII Remedies

Notwithstanding the various remedies of OCII pursuant to this Section 19.04 or any other provision of this Ground Lease, OCII shall not have the right to terminate the Ground Lease during the "compliance period" (as defined in Section 42 of the Internal Revenue Code, as amended) of the Project.

ARTICLE 20: DAMAGE AND DESTRUCTION

20.01 Casualty

If the Improvements or any part thereof are damaged or destroyed by any cause covered by any policy of insurance required to be maintained by Tenant hereunder, Tenant shall promptly commence and diligently complete the restoration of the Improvements as nearly as possible to the condition thereof prior to such damage or destruction; provided, however, that if more than twenty five percent (25%) of the Improvements are destroyed or are so damaged by fire or other casualty and if the insurance proceeds do not provide at least ninety percent (90%) of the funds necessary to accomplish the restoration, Tenant, subject to any consent rights of Lender, if any, may terminate this Ground Lease within thirty (30) days after the later of (i) the date of such damage or destruction, or (ii) the date on which Tenant is notified of the amount of insurance proceeds available for restoration. In the event Tenant is required, or elects, to restore the Improvements, all proceeds of any policy of insurance required to be maintained by Tenant under this Ground Lease shall, subject to the rights of Lenders, be used by Tenant for that purpose and Tenant shall make up from its own funds or obtain additional financing as reasonably approved by OCII any deficiency between the amount of insurance proceeds available for the work of restoration and the actual cost thereof. In the event Tenant elects to terminate this Ground Lease pursuant to its right to do so under this Section 20.01, or elects not to restore the Improvements, the insurance proceeds shall be divided among OCII, Tenant and any Lender in accordance with the provisions of Section 20.03. In the event Tenant is required

or elects to restore the Improvements, the Tenant is hereby authorized and may enter into a settlement or consent to an adjustment of an insurance award, in its name and/or in the name of the Landlord, relating to such casualty, subject to any Lender's consent rights, if any.

20.02 Distribution of the Insurance Proceeds

In the event of an election by Tenant to terminate and surrender as provided in Section 20.01, the priority and manner for distribution of the proceeds of any insurance policy required to be maintained by Tenant hereunder shall be as follows:

(a) First to the Lenders, in order of their priority, to control, disburse or apply to any outstanding loan amounts in accordance with the terms their respective Leasehold Mortgages;

(b) Second, to pay for the cost of removal of all debris from the Site or adjacent and underlying property, and for the cost of any work or service required by any statute, law, ordinance, rule, regulation or order of any federal, state or local government, or any agency or official thereof, for the protection of persons or property from any risk, or for the abatement of any nuisance, created by or arising from the casualty or the damage or destruction caused thereby; and,

(c) The remainder to Tenant.

20.03 Clean Up of Housing Site

In the event the Tenant terminates this Ground Lease pursuant to the provisions of Sections 20.01 and the proceeds of any insurance policy are insufficient to pay the clean-up and other costs described in Section 20.02(b), Tenant shall have the obligation to pay the portion of such costs not covered by the insurance proceeds.

ARTICLE 21: DAMAGE TO PERSON OR PROPERTY; HAZARDOUS SUBSTANCES; INDEMNIFICATION

21.01 Damage to Person or Property -General Indemnification

OCII shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site during the term of this Ground Lease. Tenant shall defend, hold harmless and indemnify the OCII, the City and their respective commissioners, officers, agents, and employees, of and from all claims, loss, damage, injury, actions, causes of action and

liability of every kind, nature and description directly or indirectly arising from its tenancy, its use of the Site, and any of its operations activities thereon or connected thereto; provided, however, that this Article 21 shall not be deemed or construed to and shall not impose an obligation to indemnify and save harmless OCII, the City or any of their commissioners, officers, agents or employees from any claim, loss, damage, liability or expense, of any nature whatsoever, arising from or in any way related to or connected with any willful misconduct or gross negligence by the person or entity seeking such indemnity.

21.02 Hazardous Substances –Indemnification

(a) Tenant shall indemnify, defend, and hold OCII, the City and their respective commissioners, officers, agents and employees (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to (a) a violation of any Environmental Law occurring during the term of this Ground Lease caused by Tenant, its employees, agents, affiliates or contractors, or (b) any Tenant Environmental Condition (as defined herein below); provided, however, that this Section 21.02(a) shall not be deemed or construed to, and shall not impose an obligation on Tenant to indemnify and save harmless the Indemnified Parties from, any claim, loss, damage, liability or expense, of any nature whatsoever, arising from or in any way related to or connected with any willful misconduct or gross negligence by any Indemnified Party.

(b) Landlord shall indemnify, defend, and hold the Tenant and its successors, employees, affiliates, agents, representatives and contractors (individually, a "Tenant Indemnified Party" and collectively, the "Tenant Indemnified Parties") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Tenant Indemnified Party in connection with, arising out of, in response to, or in any manner relating to a violation of any Environmental Law or Release of Hazardous Substances at the Site first existing or occurring prior to the Effective Date.

(c) For purposes of this Section 21.02, the following definitions shall apply:

(i) "Hazardous Substance" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. §9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code §25316 and §25281(d), all chemicals listed pursuant to the California Health & Safety Code §25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition shall not include substances which occur naturally on the Site at concentrations or levels naturally occurring on the Site or that are customarily used (in compliance with Environmental Laws) in apartment complexes or senior centers.

(ii) "Environmental Law" shall include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to construction of the Improvements.

(iii) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

(iv) "Tenant Environmental Condition" shall mean the Release or threatened Release of Hazardous Substance and any condition of pollution, contamination or Hazardous-Substance-related nuisance at, on, under or from the Site which first exists or first occurs after the Effective Date and is caused by Tenant, or Tenant's employees, agents, affiliates or contractors.

ARTICLE 22: INSURANCE

22.01 Insurance

Subject to approval by the City's Risk Manager of the insurers and policy forms Tenant must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below throughout the Compliance Term of this Agreement at no expense to the OCII:

1. Borrower, Contractors.

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(b) commercial general liability insurance, with limits set forth below, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; broad form property damage; explosion, collapse and underground (XCU); products and completed operations, as follows:

(i) not less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) annual aggregate limit before the start of demolition/construction if the Site is unoccupied;

(ii) not less than Five Million Dollars (\$5,000,000) combined single limit per occurrence and Ten Million Dollars (\$10,000,000) annual aggregate limit during demolition/construction and occupancy of the Site/ongoing operations of the Project;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance for all architects employed in connection with the Project, with limits not less than Two Million Dollars (\$2,000,000) (or, in the case of any other professionals, \$1,000,000) each claim and Four Million Dollars (\$4,000,000) annual aggregate limit for architects and Two Million (\$2,000,000) annual aggregate for any other professionals with respect to negligent acts, errors or omissions in

connection with professional services to be provided in connection with the Project. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds, in the amount of Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the OCII as additional obligee or loss payee.

(f) Pollution Liability and/or Asbestos Pollution Liability: Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than \$1,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage.

2. Property Insurance: Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) during the course of any construction, builders' risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and OCII property in the care, custody and control of Borrower or its contractor, including coverage in transit and storage off-site, with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including OCII and all subcontractors as loss payees;

(b) property insurance, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, for one hundred percent (100%) of the replacement value of all furnishings, fixtures, equipment, improvements, alterations and property of every kind located on or appurtenant to the Site, including coverage for loss of rental income due to an insured peril for twelve (12) months, with a deductible not to exceed Twenty Five Thousand Dollars (\$25,000) each loss, including OCII as a named insured;

(c) boiler and machinery insurance, comprehensive form, in the amount of replacement value of all insurable objects, with any deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including OCII as a named insured; and

(d) during construction and/or rehabilitation, performance and payment bonds of contractors, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Borrower as dual obligees, or other completion security approved by OCII in its sole discretion.

3. Non-Residential/Commercial Space. Borrower must require that all nonresidential tenants' liability insurance policies include Borrower and OCII as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include OCII, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to OCII.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to OCII before cancellation or intended non-renewal is effective.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against OCII to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by OCII will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that OCII and its officers, agents and employees will not be liable for any required premium.

(f) OCII reserves the right to require an increase in insurance coverage in the event OCII determines that conditions show cause for an increase, unless Borrower demonstrates to OCII's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Borrower must provide OCII with copies of insurance certificates and endorsements for each required insurance policy.

ARTICLE 23: COMPLIANCE WITH LEGAL REQUIREMENTS

Tenant shall at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, insofar as any thereof relates to or affects the condition, use or occupancy of the Site. In the event Tenant contests any of the foregoing, Tenant shall not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order and Tenant indemnifies OCII against all loss, cost, expense or damage resulting from noncompliance.

ARTICLE 24: ENTRY

OCII and its authorized agents shall have the right at all reasonable times during normal business hours and after forty-eight (48) hours written notice to Tenant (except in the event of an emergency when no written notice is required) and subject to the rights of tenants under leases or subleases of the Premises, to go on the Site for the purpose of inspecting the same or for the purpose of posting notices of nonresponsibility, or for police or fire protection.

ARTICLE 25: MORTGAGE FINANCING

25.01 No Encumbrances Except for Development or Refinancing Purposes

Notwithstanding any other provision of this Ground Lease and subject to the prior written consent of OCII, which consent shall not be unreasonably withheld or delayed, Leasehold Mortgages (and encumbrances related to such Leasehold Mortgages or required

by Project lenders, equity investors or HUD, including, but not limited to use agreements and regulatory agreements) are permitted to be placed upon the Leasehold Estate only for the purpose of securing loans of funds to be used for: (i) financing the acquisition, design, renovation, reconstruction, or construction of the Improvements; (ii) refinancing; and (iii) any other expenditures reasonably necessary and appropriate to acquire, own, develop, construct, renovate, or reconstruct the Improvements under this Ground Lease and in connection with the operation of the Improvements, and costs and expenses incurred or to be incurred by Tenant in furtherance of the purposes of this Ground Lease. Landlord approves U.S. Bank, N.A., as trustee for Citibank, N.A., as a lender and the loan secured by the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith, is deemed an approved Leasehold Mortgage.

25.02 Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest authorized by Section 25.01 ("Holder" or "Lender"), including the successors or assigns of such Holder, is not obligated to complete any construction of the Improvements or to guarantee such completion; nor shall any covenant or any other provision of this Ground Lease be construed so to obligate such Holder. However, in the event the Holder does undertake to complete or guarantee the completion of the construction of the Improvements, subject to Section 26.06(ii), nothing in this Ground Lease shall be deemed or construed to permit or authorize any such Holder or its successors or assigns to devote the Site or any portion thereof to any uses, or to construct any Improvements thereon, other than those uses or Improvements authorized under Section 9.02. To the extent any Holder or its successors in interest wish to change such uses or construct different improvements, subject to Section 26.06(ii), that Holder or its successors in interest must obtain the written consent of the City; provided, however, in such event Holder or any Subsequent Owner shall negotiate in good faith revisions to the approved plans, specifications and Schedule of Performance to the extent necessary or desirable to preserve the economic and practical feasibility of the Project.

25.03 Failure of Holder to Complete Construction

In any case where six (6) months after assumption of obligations pursuant to

Section 25.02 above, a Lender, having first exercised its option to complete the construction, has not proceeded diligently with the resumption or preparatory activities in order to complete construction, OCII shall be afforded the rights against such Holder it would otherwise have against Tenant under this Ground Lease for events or failures occurring after such assumption.

25.04 Default by Tenant and OCII's Rights

25.04(a) Right of OCII to Cure a Default or Breach by Tenant under a Leasehold Mortgage

In the event of an Event of Default or breach by Tenant in or of its obligations under any Leasehold Mortgage, and Tenant's failure to timely commence or diligently prosecute cure of such default or breach in accordance with Section 19.04, Landlord may, at its option, cure such breach or default at any time prior to one hundred nineteen (119) days after the date on which the Lender files a notice of default. In such event, OCII shall be entitled to reimbursement from Tenant of all costs and expenses reasonably incurred by OCII in curing the default or breach. OCII shall also be entitled to a lien upon the Leasehold Estate or any portion thereof to the extent of such costs and disbursements. Any such lien shall be subject to the lien of any then existing Leasehold Mortgage authorized by this Ground Lease, including any lien contemplated because of advances yet to be made. After ninety (90) days following the date of Lender filing a notice of default, if such default shall remain uncured, or if Tenant shall not have begun prosecution of such cure, OCII shall also have the right to assign Tenant's interest in the Ground Lease to another entity, subject to such Lender's written consent, but which may be conditioned, among other things, upon the assumption by such other entity of all obligations of the Tenant under the Leasehold Mortgage.

25.04(b) Notice of Default to OCII

Tenant shall use commercially reasonable efforts to require Lender to give OCII prompt written notice of any such default or breach and each Leasehold Mortgage shall so provide and shall also contain the OCII's right to cure as above set forth.

25.05 Cost of Mortgage Loans to be Paid by Tenant

Tenant covenants and affirms that it shall bear all of the costs and expenses in connection with (i) the preparation and securing of any Leasehold Mortgage, (ii) the

delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with any Leasehold Mortgage.

ARTICLE 26: PROTECTION OF LENDER

26.01 Notification to City

Promptly upon the creation of any Leasehold Mortgage and as a condition precedent to the existence of any of the rights set forth in this Article 26, each Lender shall give written notice to the City of the Lender's address and of the existence and nature of its Leasehold Mortgage. The address of the initial Lenders' address is set forth in Article 39 hereof. Execution of Attachment 5 shall constitute OCII's acknowledgement of Lender's having given such notice as is required to obtain the rights and protections of a Lender under this Ground Lease. OCII hereby acknowledges that the First Mortgage Lender and OII are deemed to have given such written Notice

26.02 Lender's Rights to Prevent Termination

Each Lender shall have the right, but not the obligation, at any time prior to termination of this Ground Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent a termination of this Ground Lease to the same effect as if the same had been made, done and performed by Tenant instead of by Lender.

26.03 Lender's Rights When Tenant Defaults

Should any Event of Default under this Ground Lease occur, and not be cured within the applicable cure period, OCII shall not terminate this Ground Lease nor exercise any other remedy hereunder unless it first gives written notice of such event of default to Lender and:

(i) If such event of default is a failure to pay a monetary obligation of Tenant, Lender shall have failed to cure such default within sixty (60) days from the date of written notice from the City to Lender; or

(ii) If such event of default is not a failure to pay a monetary obligation of Tenant, Lender shall have failed, within sixty (60) days of receipt of said written notice,

either (a) to remedy such default; or (b) to obtain title to Tenant's interest in the Site in lieu of foreclosure; or (c) to commence foreclosure or other appropriate proceedings in the nature thereof (including the appointment of a receiver) and thereafter diligently prosecute such proceedings to completion, in which case such event of default shall be remedied or deemed remedied in accordance with Article 26.04 below.

All rights of OCII to terminate this Ground Lease as the result of the occurrence of any such Event of Default shall be subject to, and conditioned upon, OCII having first given Lender written notice of such Event of Default and Lender having failed to remedy such default or acquire Tenant's Leasehold Estate created hereby or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in, and within the time specified by, this Section 26.03, and upon the Permitted Limited Partners having failed to proceed as permitted under Sections 19.02(b) or 26.06(iv).

26.04 Default Which Cannot be Remedied by Lender

Any Event of Default under this Ground Lease which in the nature thereof cannot be remedied by Lender (including all amounts due from Tenant to Landlord in respect to damages, indemnifications or other monetary amounts, other than Annual Rent, arising from the action or inactions of Tenant) shall be deemed to be remedied if (i) within sixty (60) days after receiving notice from the City setting forth the nature of such Event of Default, or prior thereto, Lender shall have acquired Tenant's Leasehold Estate created hereby or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (ii) Lender shall diligently prosecute any such proceedings to completion, (iii) Lender shall have fully cured any Event of Default arising from failure to pay or perform any monetary obligation in accordance with the terms of this Ground Lease, and (iv) after gaining possession of the Improvements, Lender shall diligently proceed to perform all other obligations of Tenant as and when the same are due in accordance with the terms of this Ground Lease.

26.05 Court Action Preventing Lender's Action

If Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the times specified in Sections 26.03 and

26.04 above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition. If this Ground Lease is terminated or rejected by Tenant in bankruptcy, OCII agrees to enter into a new ground lease with the Lender on the same terms set forth in this Ground Lease. And specifically provided that in the event the Lease is terminated for any reason, including, without limitation, a termination or rejection through any bankruptcy proceeding or a foreclosure transferee becomes the legal owner of Tenant's interest in the Property, and upon written request by the most senior Lender or the Subsequent Owner thereof given within sixty (60) days after such termination or acquisition by Subsequent Owner of Tenant's interest in the Project, as applicable, Landlord shall enter into a new lease of the Project with such Lender or the Subsequent Owner for the remainder of the Lease term with the same agreements, covenants, reversionary interests and conditions (except for any requirements which have been fulfilled by Lessee prior to termination) as are contained in the Lease and with priority equal to the Lease.

26.06 Lender's Rights to Record, Foreclose and Assign

OCII hereby agrees with respect to any Leasehold Mortgage, that

(i) the Lender may cause same to be recorded and enforced, and upon foreclosure, sell and assign the Leasehold Estate created hereby to an assignee from whom it may accept a purchase price; provided however that: (a) except with respect to affiliates of a Lender, Lender obtains prior written approval from OCII with respect to the selection of the assignee, which approval shall not be unreasonably withheld; and (b) if the proposed assignee intends to elect to maintain the use restrictions of Article 9, said assignee must be controlled by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code such that the Premises would, if leased by such entity, receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code. Lender, furthermore, may acquire title to the Leasehold Estate in any lawful way, and if the Lender, or an affiliate, shall become the assignee, may sell and assign said Leasehold Estate subject to City approval as to the assignee or purchaser, which shall not be unreasonably withheld, and to the City's rights under Article 25; and

(ii) each Subsequent Owner shall take the Leasehold Estate subject to all of the provisions of this Ground Lease, and shall, so long as and only so long as it shall be the owner of such estate, except as provided elsewhere in this Ground Lease, assume all of the obligations of Tenant under this Ground Lease; provided, however, the Subsequent Owner may operate and maintain the one hundred twenty one (121) Residential Units without any limitations on the rents charged or the income of the occupants thereof.

(iii) OCII shall mail or deliver to any Lender which has an outstanding Leasehold Mortgage a duplicate copy of all notices which OCII may from time to time give to Tenant pursuant to this Ground Lease.

(iv) any Permitted Limited Partners of Tenant shall have the same rights as any Lender under Sections 26.02, 26.03, 26.04 and 26.06 (iii), and any reference to a Lender in said section shall be deemed to include such limited partners; provided, however, that the rights of such limited partners shall be subordinate to the rights of any Lender.

26.07 Ground Lease Rent after Lender Foreclosure or Assignment

Upon foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure, (i) any accrued Annual Rent that remains unpaid at the time of such foreclosure or assignment in lieu of foreclosure shall be forgiven by OCII, and shall not be an obligation of the Lender or any other Subsequent Owner, and (ii) Annual Rent shall be set as follows:

(a) For so long as the Project is operated in accordance with the use and occupancy restrictions of Section 9.02, the following shall apply:

(1) The obligations of any Subsequent Owner other than a Lender for payment of Annual Rent shall be as set forth for other Tenants in Article 4;

(2) The obligations for payment of Annual Rent of a Lender (or the affiliate of a Lender) who acquires the Leasehold Estate as a result of foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure shall be as follows:

(A) For 180 days after foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure, the obligations for payment of Annual Rent of the Lender (or such affiliate) shall be as set forth for other

Tenants in Article 4;

(B) If, within 180 days after foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure: (1) the Lender (or such affiliate) identifies as a potential assignee of the Leasehold Estate an entity that is controlled by, or includes a partner or member which is, a California nonprofit public benefit corporation that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code such that would, if leased by such entity, receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code, (2) OCII has approved such entity (which approval shall not be unreasonably withheld), and (3) Lender (or its affiliate) is engaged, diligently and in good faith, in negotiations with such entity for assignment of the Leasehold Estate, then, if requested by Lender, the obligations for payment of Annual Rent of the Lender (or such affiliate) shall continue to be as set forth for other Tenants in Article 4 for an additional 60 days after the end of the 180-day period set forth in 26.07(a)(2)(A) above;

(C) From and after the date that Lender (or its affiliate) no longer qualifies under paragraph (A) or paragraph (B) of this Section 26.07(a)(2), but continues to operate the Project subject to the use and occupancy restrictions of Section 9.02 (which restrictions do not include serving seniors referred from the Department of Public Health-Direct Access to Housing Program unless Lender (or its affiliate) agrees to such additional restrictions), Base Rent shall accrue without regard to the amount of Surplus Cash and shall be payable by Lender (or such affiliate) in arrears on each April 15; provided, however, that payment of Base Rent thus accrued may, at the option of the Lender (or such affiliate), be deferred, with simple interest at six percent (6%) per annum until paid, until the first to occur of (x) assignment of the Leasehold Estate to a Subsequent Owner or (y) the date that is sixty days after cessation of operation of the Project in accordance with the use and occupancy restrictions of Section 9.02. If the Lender or Subsequent Owner exercises its rights under Section 26.06(ii) to operate the Project without being subject to Section 9.02, Annual Rent shall be set at the then fair market rental value of the Site, and the Base Rent shall be increased to the new fair market rent pursuant to this Section 26.07(b) and the provisions of Section 6.02(h) shall be suspended; provided, however, that the City shall be entitled to reduce Annual Rent by any dollar amount (but

not below zero) in its sole discretion and, in such case, the Subsequent Owner will be required to reduce the aggregate rent charged to tenants on a dollar for dollar basis, with respect to such aggregate units occupied by Low Income Households as OCII and the Subsequent Owner shall agree. Lender or Subsequent Owner also has the option to voluntarily agree to affordability restrictions less strict than those set forth in Section 9.02. In such event, the Base Rent shall not be increased but the Annual Rent shall be set at the fair market rental value of the Site based on the agreed upon affordability restrictions and the Base Rent and Residual Rent shall continue to be eligible for deferral pursuant to Article 4 hereof. The fair market rental value shall be determined by a jointly-commissioned appraisal (instructions prepared jointly by the Lender or Subsequent Owner and OCII, with each party paying one half of the appraiser's fee) that will include a market land valuation, as well as a market land lease rent level. Absent a market land lease rent determination, the Annual Rent will be set at an amount equal to ten percent (10%) of the then appraised market land value. If the parties cannot agree on the joint appraisal instructions, either party may invoke a neutral third-party process to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Provided, however, that after the neutral third party process, the Lender or Subsequent Owner, in its sole discretion may rescind its written notification of intent to not comply with Section 9.02 of this Ground Lease.

26.08 Permitted Uses after Lender Foreclosure

Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent Owner, the Project shall be operated in accordance with the uses specified in the schematic design, preliminary construction documents, final construction documents, and the building permit with all addenda, as approved by the Landlord.

26.09 Preservation of Leasehold Benefits

Until such time as a Lender notifies the Landlord in writing that the obligations of the Tenant under its loan documents have been satisfied, OCII agrees:

(a) That the Landlord shall not voluntarily cancel or surrender this Ground Lease, or accept a voluntary cancellation or surrender of this Ground Lease by Tenant, or

materially amend this Ground Lease to increase the obligations of the Tenant or the rights of OCII thereunder, without the prior written consent of the Permitted Limited Partner and each Lender (which will not be unreasonably withheld or delayed);

(b) That OCII shall not enforce against a Lender any waiver or election made by the Tenant under this Ground Lease which has a material adverse effect on the value of the Leasehold Estate under this Ground Lease without the prior written consent of the Lender (which will not be unreasonably withheld or delayed);

(c) That, if a Lender makes written request for the same within 15 days after Lender receives written notice of termination of this Ground Lease, OCII will enter a new lease with such Lender commencing on the date of termination of the Ground Lease and ending on the normal expiration date of the Ground Lease, on substantially the same terms and conditions as the Ground Lease and subject to the rent provisions set forth in Section 26.07, and with the same priority as against any subleases or other interests in the Premises; provided that such Lender cures all unpaid monetary defaults under the Ground Lease through the date of such termination;

(d) That OCII shall provide reasonable prior notice to each Lender of any proceedings for adjustment or adjudication of any insurance or condemnation claim involving the Premises and will permit each Lender to participate therein as an interested party.

26.10 No Merger

The Leasehold Estate in the Site pursuant to this Ground Lease shall not merge with the fee interest in the Improvements, notwithstanding ownership of the leasehold and the fee by the same person, without the prior written consent of each Lender.

26.11 OCII Bankruptcy

(a) If a bankruptcy proceeding is filed by or against OCII, OCII shall immediately notify each Lender of such filing and shall deliver a copy of all notices, pleadings, schedules, and similar materials regarding the bankruptcy proceedings to each Lender.

(b) OCII acknowledges that (i) the Tenant seeks to construct improvements on the Site using proceeds of the loans provided by the Lenders, and (ii) it would be unfair to both the Tenant and the Lenders to sell the Site free and clear of the leasehold. Therefore, OCII waives its right to sell the OCII's fee interest in the Site pursuant to section 363(f) of

the Bankruptcy Code, free and clear of the leasehold interest under this Ground Lease.

(c) If a bankruptcy proceeding is filed by or on behalf of OCII, OCII agrees as follows: (i) the Tenant shall be presumed to have objected to any attempt by OCII to sell the fee interest free and clear of the leasehold under this Ground Lease; (ii) if Tenant does not so object, each Lender shall have the right to so object on its own behalf or on behalf of the Tenant; and (iii) in connection with any such sale, the Tenant shall not be deemed to have received adequate protection under section 363(e) of the Bankruptcy Code, unless it shall have received and paid over to each Lender outstanding balance of the obligations under its respective loan.

(d) OCII recognizes that the Lenders are authorized on behalf of the Tenant to vote, participate in or consent to any bankruptcy, insolvency, receivership or court proceeding concerning the leasehold interest under this Ground Lease.

ARTICLE 27: CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement

If, during the term of this Ground Lease, there is any condemnation of all or any part of the Site or any interest in the Leasehold Estate is taken by condemnation, the rights and obligations of the parties shall be determined pursuant to this Article 27, subject to the rights of any Lender.

27.02 Total Taking

If the Site is totally taken by condemnation, this Ground Lease shall terminate on the date the condemnor has the right to possession of the Site.

27.03 Partial Taking

If any portion of the Site is taken by condemnation, this Ground Lease shall remain in effect, except that Tenant may, with Lender's written consent, elect to terminate this Ground Lease if, in Tenant's reasonable judgment, the remaining portion of the Improvements is rendered unsuitable for Tenant's continued use of the Site. If Tenant elects to terminate this Ground Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to OCII within thirty (30) days after the City notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Ground Lease as provided in this Section 27.03, Tenant also shall notify OCII of the date of termination, which date shall not be earlier than thirty (30) days nor later than six (6)

months after Tenant has notified OCII of its election to terminate; except that this Ground Lease shall terminate on the date the condemnor has the right to possession of the Site if such date falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Ground Lease within such thirty (30) day notice period, this Ground Lease shall continue in full force and effect.

27.04 Effect on Rent

If any portion of the Improvements is taken by condemnation and this Ground Lease remains in full force and effect, then on the date of taking the rent shall be equitably abated.

27.05 Restoration of Improvements

If there is a partial taking of the Improvements and this Ground Lease remains in full force and effect pursuant to Section 27.03, Tenant may, subject to the terms of each Leasehold Mortgage, use the proceeds of the taking to accomplish all necessary restoration to the Improvements.

27.06 Award and Distribution

Any compensation awarded, paid or received on a total or partial condemnation of the Site or threat of condemnation of the Site shall belong to and be distributed in the following order:

(a) First, to the extent required by a Lender in accordance with its loan documents, to pay the balance due on any outstanding Leasehold Mortgages and other outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals and lease residuals; to the extent provided therein;

(b) Second, to the Tenant in an amount equal to the fair market value of Tenant's interest in the Improvements and its leasehold interest in the Site (including, but not limited to, the value of Tenant's interest in all subleases to occupants of the Site), such value to be determined as it existed immediately preceding the earliest taking or threat of taking of the Site; and

(c) Third, to the Landlord.

27.07 Payment to Lenders

In the event the Improvements are subject to the lien of a Leasehold Mortgage on the date when any compensation resulting from a condemnation or threatened

condemnation is to be paid to Tenant, such award shall be disposed of as provided in the Lender's loan documents.

ARTICLE 28: ESTOPPEL CERTIFICATE

OCII or Tenant, as the case may be, shall execute, acknowledge and deliver to the other and/or to Lender or Permitted Limited Partner, promptly (but not more than ten days) upon request, its certificate certifying (a) that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which rent has been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by OCII or Tenant to be performed or observed and, if so, specifying the same, and (d) whether there are then existing any defaults by Tenant or OCII in the performance or observance by Tenant or OCII of any agreement, covenant or condition hereof on the part of Tenant or OCII to be performed or observed and whether any notice has been given to Tenant or OCII of any default which has not been cured and, if so, specifying the same.

ARTICLE 29: QUITCLAIM

Upon expiration or sooner termination of this Ground Lease, Tenant shall surrender the Site to OCII and, at OCII's request, shall execute, acknowledge, and deliver to OCII a good and sufficient quitclaim deed with respect to any interest of Tenant in the Site. Title to the Improvements shall vest automatically in the City as provided in Article 13 herein.

ARTICLE 30: EQUAL OPPORTUNITY

Tenant agrees to comply with all of the Equal Opportunity and related requirements attached hereto as Attachment 7.

ARTICLE 31: OCII LABOR STANDARDS PROVISIONS

31.01 Bayview Hunters Point Employment and Contracting Policy

Tenant agrees to comply with the requirements of the OCII's Bayview Hunters Point Employment and Contracting Policy ("BVHP ECP") as set forth on Attachment 8.

31.02 Prevailing Wages

The Parties acknowledge that the development of the Project is a private work of improvement. Developer agrees to pay or cause to be paid prevailing rates of wages in accordance with the requirements set forth in Attachment 7.

ARTICLE 32: OCII MINIMUM COMPENSATION AND HEALTH CARE ACCOUNTABILITY POLICY

Tenant agrees that the Tenant and its subtenants, if any, will comply with the provisions of the OCII's Minimum Compensation Policy ("MCP") and Health Care Accountability Policy ("HCAP") (together, the "Policies") as set forth in Attachments 11 and 12 respectively. Notwithstanding this requirement, OCII recognizes that the residential housing component of the Improvements is subject to the Policies as is the leasing and operations of the Non-residential Space is subject to the Policies.

ARTICLE 33: CONFLICT OF INTEREST

No commissioner, official, or employee of OCII shall have any personal or financial interest, direct or indirect, in this Ground Lease, nor shall any such commissioner, official, or employee participate in any decision relating to this Ground Lease which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested.

ARTICLE 34: NO PERSONAL LIABILITY

No commissioner, official, or employee of OCII shall be personally liable to Tenant or any successor in interest in the event of any default or breach by OCII or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Ground Lease.

ARTICLE 35: ENERGY CONSERVATION

Tenant agrees that it will use its best efforts to maximize provision of, and incorporation of, both energy conservation techniques and systems and improved waste-handling methodology in the construction of the Improvements.

ARTICLE 36: WAIVER

The waiver by OCII or Tenant of any term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of OCII or Tenant to insist upon the

performance by the other in strict accordance with the said terms. The subsequent acceptance of rent or any other sum of money hereunder by OCII shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Ground Lease, other than the failure of Tenant to pay the particular rent or other sum so accepted, regardless of OCII's knowledge of such preceding breach at the time of acceptance of such rent or other sum.

ARTICLE 37: TENANT RECORDS

Upon reasonable notice during normal business hours, and as often as OCII may deem necessary, there shall be made available to the City and its authorized representatives for examination all records, reports, data and information made or kept by Tenant regarding its activities or operations on the Site. Nothing contained herein shall entitle OCII to inspect personal histories of residents or lists of donors or supporters. To the extent that it is permitted by law to do so, OCII will respect the confidentiality requirements of Tenant in regard to the lists furnished by Tenant pursuant to Article 7 hereof, of the names of occupants of the residential portion of the Site. OCII's rights pursuant to the preceding provisions of this Article 38 shall be subject in all respects to applicable local, state and federal laws restricting the disclosure of such information.

ARTICLE 38: NOTICES AND CONSENTS

All notices, demands, consents or approvals which may be or are required to be given by either party to the other hereunder shall be in writing and shall be deemed to have been fully given when delivered in person to such representatives of Tenant and OCII as shall from time to time be designated by the parties for the receipt of notices, or upon receipt when sent by express delivery service with a delivery receipt and addressed

To OCII:

Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment
Agency

1 South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

With a copy to:

Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

Attn: Director

To Tenant:

Carroll Avenue Senior Homes, LP
c/o McCormack Baron Salazar, Inc.
720 Olive Street, Suite 2500
St. Louis, MO 63101
Attn: Hillary Zimmerman

Cathy Davis, Executive Director
Bayview Supportive Housing, LLC
1706 Yosemite Avenue
San Francisco, CA 94124

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt
633 W. 5th Street, 70th Floor
Los Angeles CA 90071
Attn: Lance Bocarsly

McCormack Baron Salazar, Inc.
50 California Street, Suite 1500
San Francisco, California 94111
Attn: Yusef Freeman

To Limited Partner: Wells Fargo Affordable Housing Community
Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attention: Director of Tax Credit Asset Management

With a copy to: Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn

or to such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Article 39. Any notice given pursuant to this Article 39 shall be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt.

ARTICLE 39: COMPLETE AGREEMENT

There are no oral agreements between Tenant and OCII affecting this Ground Lease, and this Ground Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between Tenant and OCII with respect to the lease of the Site, including, but not limited to, that certain "Option to Lease Agreement" dated as of September 3, 2013, by and between OCII and Bayview Supportive Housing, LLC.

ARTICLE 40: HEADINGS

Any titles of the several parts and sections of this Ground Lease are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

ARTICLE 41: SUCCESSORS AND ASSIGNS

This Ground Lease shall be binding upon and inure to the benefit of the successors and assigns of OCII and Tenant and where the term "Tenant" or "OCII" is used in this Ground Lease, it shall mean and include their respective successors and assigns; provided, however, that OCII shall have no obligation under this Ground Lease to, nor shall any benefit of this Ground Lease accrue to, any unapproved successor or assign of Tenant where OCII approval of a successor or assign is required by this Ground Lease.

ARTICLE 42: TIME OF THE ESSENCE.

Time is of the essence in the enforcement of the terms and conditions of this Ground Lease.

ARTICLE 43: PARTIAL INVALIDITY

If any provisions of this Ground Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Ground Lease and all such other provisions shall remain in full force and effect.

ARTICLE 44: APPLICABLE LAW

This Ground Lease shall be governed by and construed pursuant to the laws of the State of California.

ARTICLE 45: ATTORNEYS' FEES

If either of the parties hereto commences a lawsuit to enforce any of the terms of this Ground Lease, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit, including fees and costs on appeal, from the other party.

ARTICLE 46: EXECUTION IN COUNTERPARTS

This Ground Lease and any memorandum hereof may be executed in counterparts, each of which shall be considered an original, and all of which shall constitute one and the same instrument.

ARTICLE 47: RECORDATION OF MEMORANDUM OF GROUND LEASE

This Ground Lease shall not be recorded, but a memorandum of this Ground Lease shall be recorded. The parties shall execute the memorandum in form and substance as required by a title insurance company insuring Tenant's leasehold estate or the interest of any Leasehold Mortgagee, and sufficient to give constructive notice of the Ground Lease to subsequent purchasers and mortgagees. The form of memorandum of ground lease is attached hereto as Attachment 2.

ARTICLE 48: ASSIGNMENT

OCII and Tenant hereby acknowledge and agree that, effective upon the date of issuance of the Certificate of Completion, or some later date as determined by OCII, all of OCII's rights, interests and obligations under this Ground Lease shall be assigned to MOHCD. OCII and Tenant hereby agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Article 49. Upon assignment to MOHCD, all references herein to OCII shall be deemed references to MOHCD.

ARTICLE 49: ATTACHMENTS

The following are attached to this Ground Lease and by this reference made a part hereof:

1. Legal Description of Site
2. Memorandum of Ground Lease
3. Schedule of Performance
4. Intentionally Omitted
5. Operational Rules for Certificate Holder's Priority
6. Equal Opportunity Program
7. Prevailing Wage Provisions
8. Income Computation and Certification
9. Additional Tenant Covenants (Intentionally Omitted)
10. City's Policy on the Inclusion and Funding of Commercial Space in MOH/SFRA-Funded Housing Developments
11. OCII's Minimum Compensation Policy
12. OCII's Health Care Accountability Policy

ATTACHMENT 1

Legal Description of the Site

The land referred to herein is situated in the State of California, County of San Francisco, City of San Francisco, and is described as follows:

PARCEL ONE:

LOT 3, AS SHOWN ON FINAL MAP NO. 5785 FILED FOR RECORD ON AUGUST 25, 2010 IN BOOK 114 OF CONDOMINIUM MAPS, AT PAGES 29-32, SAN FRANCISCO COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT APPURTENANT TO PARCEL ONE ABOVE FOR VEHICULAR AND PEDESTRIAN ACCESS AND USE OF THE WALKWAYS AND PRIVATE STREET WITHIN THE ROADWAY, INCLUDING ACCESS BY CONSTRUCTION VEHICLES, DELIVERY TRUCKS AND AND VANS AND THE RIGHT TO INSTALL, RETAIN INSPECT, MAINTAIN, REPAIR, UPGRADE AND/OR REPLACE THE UTILITY FACILITIES, AS MORE PARTICULARLY DESCRIBED IN THAT CERTAIN "5800 THIRD STREET EASEMENT AND MAINTENANCE AGREEMENT" RECORDED SEPTEMBER 30, 2010 AS INSTRUMENT NO. 2010-J058545 OF OFFICIAL RECORDS.

PARCEL THREE:

AN EASEMENT APPURTENANT TO PARCEL ONE ABOVE FOR ACCESS FOR DESIGN AND CONSTRUCTION OF THE EVA ROADWAY AND USE OF EVA ROADWAY BY EMERGENCY VEHICLES, AS MORE PARTICULARLY DESCRIBED IN THAT CERTAIN "5800 THIRD STREET EVA EASEMENT AGREEMENT" RECORDED SEPTEMBER 30, 2010 AS INSTRUMENT NO. 2010-J058546 OF OFFICIAL RECORDS.

APN: Lot 042; Block 5431A

ATTACHMENT 2
Memorandum of Ground Lease

RECORDING REQUESTED BY:

THE MAYOR'S OFFICE OF HOUSING
AND COMMUNITY DEVELOPMENT
OF THE CITY AND COUNTY OF
SAN FRANCISCO

WHEN RECORDED RETURN TO:

Free Recording Requested Pursuant to Government Code Section 27383
1751 Carroll Avenue
San Francisco, CA 94124

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of this ___ day of January 2014, by and between the Office of Community Investment and Infrastructure, organized and existing under the laws of the State of California (the "Lessor") and Carroll Avenue Senior Homes, L.P. a California limited partnership (the "Lessee") with respect to that certain unrecorded Ground Lease dated as of November 19, 2013 (the "Lease"), between Lessor and Lessee.

Pursuant to the Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor the real property described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Initial Term of the Lease shall commence on _____, and shall end on the date fifty five (55) years thereafter, with an Option for Extension for an additional forty-four (44) year term to begin at the end of the Initial Term. Lessee is granted a right of first refusal to purchase a fee interest in the Property from Lessor under certain conditions more specifically described in Section 14.02 of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease or grant of improvements, of which this is a memorandum.
Executed this ___ day of January 2014, at San Francisco, California.

LESSOR:

Office of Community Investment and Infrastructure
of the City and County of San Francisco,
a public body, corporate and
politic

By: _____

Tiffany Bohee

Its: Director

LESSEE:

Carroll Avenue Senior Homes, L.P.,
a California limited partnership

By:

By:

By: _____

Name: _____

Title: _____

By:

By: _____

Name: _____

Title: _____

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL ONE:

LOT 3, AS SHOWN ON FINAL MAP NO. 5785 FILED FOR RECORD ON AUGUST 25, 2010 IN BOOK 114 OF CONDOMINIUM MAPS, AT PAGES 29-32, SAN FRANCISCO COUNTY RECORDS.

PARCEL TWO:

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APN: Lot 042; Block 5431A

ATTACHMENT 3

Schedule of Performance

	Performance Milestone	Estimated or Actual Date	Contractual Deadline
1 a.	Property Manager	<u>complete</u>	
b.	Service Provider	<u>complete</u>	
2.	Design		
a.	Submittal of Basic Concept Design	<u>complete</u>	
b.	Submittal of Schematic Design & Cost Estimate	<u>complete</u>	
c.	Submittal of Design Development & Cost Estimate	<u>complete</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>complete</u>	<u>complete</u>
3.	Environ Review/Land-Use Entitlements (Amendments)		
a.	CEQA Environ Review Submission	<u>complete</u>	
b.	NEPA Environ Review Submission	<u>complete</u>	
c.	CUP/PUD/Variances Submission	<u>complete</u>	
4.	Permits		
a.	Building / Site Permit Application Submitted	<u>complete</u>	
b.	Addendum #1 Submitted	<u>11/2013</u>	<u>2/2014</u>
c.	Addendum #2 Submitted	<u>11/2013</u>	<u>2/2014</u>
6.	Request for Bids Issued	<u>complete</u>	
7.	Service Plan Submission		
a.	Preliminary	<u>completed</u>	
b.	Interim	<u>completed</u>	
c.	Update	<u>1/2014</u>	<u>2/2014</u>
8.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>complete</u>	
b.	Gap Financing Application	<u>complete</u>	
c.	OCII Commission	<u>complete</u>	
9.	Other Financing		

a.	Construction Financing RFP	<u>complete</u>	
b.	AHP Application	<u>4/2014</u>	<u>4/2014</u>
c.	CDLAC Application	<u>complete</u>	
c.	TCAC Application	<u>complete</u>	
d.	HUD 202 or 811 Application	<u>n/a</u>	<u>n/a</u>
10.	Closing		
a.	Construction Closing	<u>3/2014</u>	<u>3/2014</u>
b.	Permanent Financing Closing	<u>3/2016</u>	<u>9/2016</u>
11.	Construction		
a.	Notice to Proceed	<u>2/2014</u>	<u>4/2014</u>
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>8/2015</u>	<u>2/2016</u>
c.	Final Completion	<u>10/2015</u>	<u>4/2016</u>
12.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>7/2014</u>	<u>2/2015</u>
b.	Commence Marketing	<u>3/2015</u>	<u>10/2015</u>
c.	95% Occupancy	<u>3/2016</u>	<u>9/2016</u>
13.	Cost Certification/8609	<u>4/2016</u>	<u>12/2016</u>
14.	Close Out MOH/SFRA Loan(s)	<u>4/2016</u>	<u>12/2016</u>

ATTACHMENT 4
Intentionally Omitted

ATTACHMENT 5
OPERATIONAL RULES FOR
CERTIFICATE HOLDERS' PRIORITY

The Owner hereby agrees that priority for units designated for Low Income Households will be given to persons displaced or to be displaced from their homes by former San Francisco Redevelopment Agency ("SFRA") activities and who have been issued a form described as the "Certificate of Preference" ("Certificate Holder"), establishing a priority right to claim units outlined in the descending order of priority in paragraph D of this document. Final acceptance or rejection of Certificate Holders lies with the Owner. The Owner shall notify the City and applicant in writing of the reason for rejection. In order to implement this process:

- A. The City agrees to furnish the following:
1. Written and/or printed notices to Certificate Holders advising them that such units will soon be available;
 2. Assistance to Certificate Holders in filing applications; and
 3. Verification to the Owner that applicant has been displaced.
- B. The Owner agrees to the following:
1. To supply the City ninety (90) days prior to accepting lease applications with the information listed below. This information shall not be changed without providing the City with ten (10) days written notice.
 - a. A master unit list with the following information:
 - (1) Number of bedrooms and baths;
 - (2) Square footage; and
 - (3) Initial rent to be charged.
 - b. Estimated itemized cost of utilities and services to be paid by tenant by unit size.
 - c. Detailed description of Owner's rules for tenants, which must include:
 - (1) Maximum income
 - (2) Pet policy
 - (3) Selection process: To insure no discrimination against Low Income Households and Certificate Holders all criteria and the relative weight to be given to each criterion indicated. The City shall approve or disapprove the selection process criteria within ten (10) working days after submission thereof to the Agency.
 - (4) Amount of security deposit and all other fees, as well as refund policy regarding same.
 - (5) Occupancy requirements must be described in full and found reasonable by the City
 - (6) Duration of rental agreement or lease.
 - (7) Copy of rental agreement or lease.
 - d. Amount of charge for processing applications, if any.
 - e. Description of application process and length of time needed by Owner.

- f. Copy of rental application and copy of all forms to be used for income verification.
 - g. Periodic notification to Owner's office hours for accepting applications and showing model unit(s).
2. That all Certificate Holders found acceptable by the Owner shall have the opportunity to inspect a model or other available completed unit, and be assigned an appropriate unit for future occupancy.
 3. The Owner further agrees that some applicants who apply directly to the Owner may be entitled to priority because of previous displacement. The Owner will, therefore, ask the following questions on all applications for occupancy:

"Have you been displaced between 1966-1975 by the San Francisco Redevelopment Agency?"

If the applicant answers affirmatively, the address from which displacement occurred is required. Copies of all applications indicating that such displacement either has taken place or will take place must be forwarded to the City within five (5) working days of receipt of such application by the Owner. It is agreed that information received on the application will be considered confidential. The City will, in turn, determine within ten (10) working days which such applicants are then qualified or will qualify as Certificate Holders, and will establish current Certificate of Preference priority.

- C. 1. Complete Certificate of Preference Applicant status updates form.
2. Applicants who are Certificate Holders who have been accepted and notified by the Owner will have five (5) working days thereafter to accept or reject a unit. If the Certificate Holder fails to affirmatively respond, the application may be closed. Rejection of the unit by a Certificate holder must be shown on current status report.
4. Prior to Initial Occupancy, the Owner will deliver at least monthly, or more frequently if available to the Owner from its leasing agent, a rent-up report for all Development units listing the following:
 1. Unit number rented;
 2. Tenant name;
 3. Date of move-in; and
 4. Rent rate.
5. If material supplied in any application by a Certificate Holder indicates ineligibility on its face because of the Owner's rules and regulations, such applicant will be notified within one week, with a copy of the Agency. Any fee charged for processing such application will be refunded in full, notwithstanding, however, that such applicant shall be listed on status report showing application is closed and fee has been returned. If ineligibility can be determined only after a follow-up investigation, the applicant will be notified within one week after such determination is made, with a copy to the Agency. Any fee charged for processing such applications may be retained by the Owner. These applications will also appear on the status report.

6. Within ten (10) working days after execution of a lease, the Owner will supply the Agency with a signed copy of the following for all Certificate Holder tenants:
 - (1) signed copy of lease;
 - (2) copy of complete application; and
 - (3) copies of all verification forms used to ascertain income eligibility.

- D. Units may be offered to non-Certificate Holders at any time as long as the current status report shows that there are sufficient units available to satisfy applications from Certificate Holders for units of appropriate size in any stage of processing.

- E. The Owner agrees that any contract entered into for the management of the residential portions of the Development, both before and after Initial Occupancy, shall be furnished to the Agency, shall incorporate the provisions of this Attachment "F", and shall bind the management agent to comply with its requirements.

ATTACHMENT 6

1. Equal Opportunity Policies. Borrower shall comply with OCII's Equal Opportunity Policies attached hereto as part of this Exhibit E which includes: Small Business Enterprise Agreement, Construction Workforce Agreement, and Prevailing Wage Provisions (Labor Standards):

- (i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 82-2009, July 27, 2009) attached as Exhibit E-1;
- (ii) Construction Workforce, attached as set forth in Exhibit E-2; and
- (iii) Prevailing Wage Policy (adopted by Resolution No. 327-1985 Nov. 12, 1985) attached as Exhibit E-3.
- (iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997) attached as Exhibit E-4.
- (v) Health Care Accountability Policy (adopted by Resolution No. 168-2001) attached as Exhibit E-5.
- (vi) Minimum Compensation Policy (adopted by Resolution No. 168-2001) attached as Exhibit E-6.

2. Environmental Review. The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or OCII who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts.

Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify OCII immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that OCII may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to OCII's satisfaction, in OCII's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to OCII a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Non-Discrimination in OCII Contracts and Benefits Policy.

(a) Borrower May Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Borrower, in any of Borrower's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower.

(b) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for OCII or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and

retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a Governmental Agency under state or local law authorizing such registration, subject to the conditions set forth in the Agency's Nondiscrimination in Contracts Policy, adopted by Agency Resolution 175-97, as amended from time to time.

8. Public Disclosure.

(a) Borrower understands and agrees that under the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to OCII or the City hereunder are public records subject to public disclosure. Borrower hereby authorizes OCII and the City to disclose any records, information and materials submitted to OCII or the City in connection with this Agreement as required by Law.

9. Compliance with Minimum Compensation Policy and Health Care Accountability Policy. Borrower agrees, as of the date of this Agreement and during the term of this Agreement, to comply with the provisions of the Agency's Minimum Compensation Policy and Health Care Accountability Policy (the "Policies"), adopted by Agency Resolution 168-2001, as such policies may be amended from time to time. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City's Department of Public Health, or to participate in a health benefits program developed by the City's Director of Health.

10. Limitations on Contributions. Through execution of this Agreement, Borrower 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 Agency for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) the Mayor or members of the Board of Supervisors, (2) a candidate for Mayor or Board of Supervisors, or (3) a committee controlled by such office holder or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Borrower 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. Borrower further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Borrower's board of directors; Borrower's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower. Additionally, Borrower

acknowledges that Borrower must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Borrower agrees to provide to OCII the names of each member of Borrower's general partners' (or, if applicable, general partners' managing members) board of directors; Borrower's general partners' (or, if applicable, general partners' managing members) chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower's general partners (or, if applicable, general partners' managing members); any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower.

ATTACHMENT 7
PREVAILING WAGE PROVISIONS
(LABOR STANDARDS)

11.1 **Applicability.** These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined in the Agreement between the Borrower and the Office of Community Investment and Infrastructure (OCII) "Successor Agency" of which this Exhibit H and these Labor Standards are a part.

11.2 **All Contracts and Subcontracts shall contain the Labor Standards. Confirmation by Construction Lender.**

- (a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Borrower shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. The Borrower shall supply the Agency with true copies of each contract relating to the construction of the Improvements showing the specifications that contain these Labor Standards promptly after due and complete execution thereof and before any work under such contract commences. Failure to do shall be a violation of these Labor Standards.
- (b) Before close of escrow under the Agreement and as a condition to close of escrow, the Borrower shall also supply a written confirmation to the Agency from any construction lender for the Improvements that such construction lender is aware of these Labor Standards.

11.3 **Definitions.** The following definitions shall apply for purposes of this Exhibit H:

- (a) "Contractor" is the Borrower if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds \$10,000, and who employs Laborers, Mechanics, working foremen, and security guards to perform the construction on all or any part of the Improvements.
- (b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including working foremen and security guards.

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

11.4 Prevailing Wage.

- (a) All Laborers and Mechanics employed in the construction of the Improvements will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by §11.5) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Agency with the Development Services Manager. At the time of escrow closing the Agency shall provide the Borrower with a copy of the applicable Wage Determination.
- (b) All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.
- (c) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.
- (d) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any Laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Agency has found, upon the written request of the Contractor, made through the Borrower that the intent of the Labor Standards has been met. Records of such costs shall be maintained in the manner set forth

in subsection (a) of §11.8. The Executive Director of the Agency may require the Borrower to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or program referred to above in subsection (b) of this §11.4. The interest shall be accumulated and shall be paid as determined by the Agency acting at its sole discretion.

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

11.5 Permissible Payroll Deductions. The following payroll deductions are permissible deductions. Any others require the approval of the Agency's Executive Director.

- (a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.
- (b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when case or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.
- (c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.
- (d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:
 - 1. The deduction is not otherwise prohibited by law; and
 - 2. It is either:
 - a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be

done and such consent is not a condition either for obtaining or for the continuation of employment, or

- b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and
 - 3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and
 - 4. The deduction shall serve the convenience and interest of the employee.
- (e) Any authorized purchase of United States Savings Bonds for the employee.
 - (f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.
 - (g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.
 - (h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments provided, that a collective bargaining agreement between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

11.6

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

paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

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

11.8 **Payrolls and Basic Records.**

- (a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Improvements and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Improvements. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.
- (b) 1. The Contractor shall submit to the Agency on each Wednesday at noon a copy of the payrolls for the week preceding the previous week in which any construction of the Improvements was performed. The payrolls submitted shall set out accurately and completely all of the information required by the Agency's Optional Form, an initial supply of which may be obtained from the Agency. The Contractor if a prime contractor or the Borrower acting as the Contractor is responsible for the submission of copies of certified payrolls by all subcontractors; otherwise each Contractor shall timely submit such payrolls.

- (c) 2. Each weekly payroll shall be accompanied by the Statement of Compliance that accompanies the Agency's Optional Form and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.
- (d) The Contractor shall make the records required under this §11.8 available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview employees during working hours on the job. On request the Executive Director of the Agency shall advise the Contractor of the identity of such authorized representatives.

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

11.10 **Equal Opportunity Program.** The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the equal opportunity program set forth in Exhibit I of the Agreement including Schedules A and B. Any conflicts between the language contained in these Labor Standards and Exhibit I shall be resolved in favor of the language set forth in Exhibit I, except that in no event shall less than the prevailing wage be paid.

11.11 **Nondiscrimination Against Employees for Complaints.** No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

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

11.13 **Violation and Remedies.**

- (a) Liability to Employee for Unpaid Wages. The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.
- (b) Stop Work--Contract Terms, Records and Payrolls. If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for the construction of the Improvements to contain the Labor Standards as required by §11.2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §11.8 ("Non-Complying Contractor"), the Executive Director of the Agency may, after written notice to the Borrower with a copy to the Contractor involved and failure to cure the violation within five working days after the date of such notice, stop the construction work under the Non-Conforming Contract or of the Non-Complying Contractor until the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.
- (c) Stop Work and Other Violations. For any violation of these Labor Standards the Executive Director of the Agency may give written notice to the Borrower, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within five working days from the date of said notice, the Borrower shall advise the Agency in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, the Borrower, upon receipt of the notice of claimed violation from the Agency, shall with respect to any amount stated in the Agency notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Agency that the moneys are being or will be withheld. If the Borrower fails to timely give a Notice of Dispute to the Agency or to advise of the withhold, then the Executive Director of the Agency may stop the construction of the Improvements under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.
- (d) Upon receipt of the Notice of Dispute and withhold advice, any stop work which the Executive Director has ordered shall be lifted, but the Borrower shall continue to withhold the moneys until the dispute has been resolved either by agreement, or failing agreement, by arbitration as is provided in §11.14.
- (e) Withholding Certificates of Completion. The Agency may withhold any or all certificates of completion of the Improvements provided for in this agreement, for any violations of these Labor Standards until such violation has been cured.

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

11.14

Arbitration of Disputes.

- (a) Any dispute regarding these Labor Standards shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further provisions thereof.
- (b) The Agency and all persons or entities who have a contractual relationship affected by the dispute shall be made a party to the arbitration. Any such person or entity not made a party in the demand for arbitration may intervene as a party and in turn may name any such person or entity as a party.
- (c) The arbitration shall take place in the City and County of San Francisco.
- (d) Arbitration may be demanded by the Agency, the Borrower or the Contractor.
- (e) With the demand for arbitration, there must be enclosed a copy of these Labor Standards, and a copy of the demand must be mailed to the Agency and the Borrower, or as appropriate to one or the other if the Borrower or the Agency is demanding arbitration. If the demand does not include the Labor Standards they are nevertheless deemed a part of the demand. With the demand if made by the Agency or within a reasonable time thereafter if not made by the Agency, the Agency shall transmit to the AAA a copy of the Wage Determination (referred to in §11.4) and copies of all notices sent or received by the Agency pursuant to §11.13. Such material shall be made part of the arbitration record.
- (f) One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators of the AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the parties fail to select an arbitrator, within seven (7) days from the receipt of the panel, the AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that

person's agreement to render a decision within 30 days from appointment.

- (g) Any party to the arbitration whether the party participates in the arbitration or not shall be bound by the decision of the arbitrator whose decision shall be final and binding on all of the parties and any and all rights of appeal from the decision are waived except a claim that the arbitrator's decision violates an applicable statute or regulation. The decision of the arbitrator shall be rendered on or before 30 days from appointment. The arbitrator shall schedule hearings as necessary to meet this 30 day decision requirement and the parties to the arbitration, whether they appear or not, shall be bound by such scheduling.
- (h) Any party to the arbitration may take any and all steps permitted by law to enforce the arbitrator's decision and if the arbitrator's decision requires the payment of money the Contractor shall make the required payments and the Borrower shall pay the Contractor from money withheld.
- (i) Costs and Expenses. Each party shall bear its own costs and expenses of the arbitration and the costs of the arbitration shall be shared equally among the parties.

11.15

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

SAN FRANCISCO REDEVELOPMENT AGENCY

NOTICE TO EMPLOYEES

***EQUAL
OPPORTUNITY
NON-DISCRIMI-
NATION***

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

***PREVAILING
WAGE***

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

OVERTIME
times
day

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

APPRENTICES

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

PROPER PAY
Community Investment and Infrastructure, OCII

If you do not receive proper pay, write the Office of
1 South Van Ness Ave. 5th Floor
San Francisco, CA 94103
or call 749-2546 and ask for
Mr. George Bridges
Contract Compliance Specialist

ATTACHMENT 8

TENANT INCOME CERTIFICATION

Initial Certification Recertification Other _____

Effective Date: _____
 Move-in Date: _____
 (MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____	County: _____
BIN #: _____	
Address: _____	Unit Number: _____ #
Bedrooms: _____	

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from
TOTALS:			\$	\$
Enter Column (H) Total If over \$5000		\$ _____ X	Passbook Rate 2.00%	= (J) Imputed Income \$
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ (Date)	_____ Signature	_____ (Date)
_____ Signature	_____ (Date)	_____ Signature	_____ (Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$ 	Household Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	RECERTIFICATION Current Income Limit x \$ _____ Household Income exceeds recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size: \$ _____		
Household Income at Move-in: \$ _____	Household Size at Move-in: _____	

PART VI. RENT

Tenant Paid Rent \$ _____ Utility Allowance \$ _____	Rent Assistance: \$ _____ Other non-optional charges: \$ _____	
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$ 	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	
Maximum Rent Limit for this unit: \$ _____		

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation)	*Student Explanation: 1 TANF assistanc 2 Job Training Prog 3 Single parent/depend 4 Married/joint return
Enter 1-4 		

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirement. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
---	--	--	---	---

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of the Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restrict Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the address of the building.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of Household	S	-	Spouse
A	-	Adult co-tenant	O	-	Other family member
C	-	Child	F	-	Foster child(ren)/adult(s)
L	-	Live-in caretaker	N	-	None of the above

Enter the date of birth, student status, and social security number or alien registration number for each occupant.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V - Determination of Income Eligibility

- Total Annual Household Income from all Sources Enter the number from item (L).
- Current Income Limit per Family Enter the Current Move-in Income Limit for the household size.

Size

Household income at move-in
Household size at move-in

For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.

Household Meets Income Restriction

Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

Current Income Limit x 140%

For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. Below, indicate whether the household income exceeds the total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI - Rent

Tenant Paid Rent

Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).

Rent Assistance

Enter the amount of rent assistance, if any.

Utility Allowance

Enter the utility allowance. If the owner pays all utilities, enter zero.

Other non-optional charges

Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.

Gross Rent for Unit

Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.

Maximum Rent Limit for this unit

Enter the maximum allowable gross rent for the unit.

Unit Meets Rent Restriction at

Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

**Full time is determined by the school the student attends.*

Part VIII - Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit See Part V above.

- HOME If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
- Tax Exempt If the property participates in the Tax Exempt Bond program, mark the appropriate box indicating the household's designation.
- AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
- Other If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

ATTACHMENT 9
Intentionally Omitted

ATTACHMENT 10
COMMERCIAL SPACE POLICY

ATTACHMENT 11
MINIMUM COMPENSATION POLICY

ATTACHMENT 12
HEALTH CARE ACCOUNTABILITY POLICY

Commission on Community Investment and Infrastructure

RESOLUTION NO. 56-2013
Adopted November 19, 2013

AUTHORIZING A GROUND LEASE WITH CARROLL AVENUE SENIOR HOMES, LP, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 120 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS PLUS ONE MANAGER'S UNIT AT 1751 CARROLL AVENUE (FORMERLY KNOWN AS 5800 THIRD STREET, LOT 3) (ASSESSOR'S BLOCK 5431A, LOT 042)

BASIS FOR RESOLUTION

- WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco; and,
- WHEREAS, In accordance with the Law, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the "Project Area") by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII is responsible for implementing the Bayview Hunters Point Redevelopment Plan (the "Redevelopment Plan"); and,
- WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), as amended by California State Assembly Bill No. 1484 ("AB 1484") (together the "Dissolution Laws") the Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCII as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency's successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing. Accordingly, under Ordinance 215-12 and Dissolution Law, OCII has the obligation and authority to enter into the Ground Lease Agreement as defined below to allow for the development of the Project as defined below; and,
- WHEREAS, On September 21, 2010, by Resolution No. 122-2010, the Agency Commission approved the purchase of the real property located at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's

Block 5431A, Lot 042)(the "Site"). The Agency completed the purchase in February 2011; and,

WHEREAS, A limited partnership consisting of the following general partners: BHPMSS Bayview Seniors LLC, a California limited liability company ("BHPMSS") and Carroll Avenue Senior Homes MBS GP, Inc., a Missouri corporation ("MBS"), (both general partners of the Carroll Avenue Senior Homes limited partnership)(the "Tenant") intends to redevelop the Site with 120 very low-income senior rental housing units (plus one manager's unit) and an approximately 15,000 square foot ground floor senior center, and parking spaces for the residential space and other ancillary uses on the Site (together, the "Project"); and,

WHEREAS, It is the Tenant's intent to serve the needs of the seniors of the Bayview Hunters Point community by developing the Project to provide housing for 120 very low-income households (plus one manager's unit) with at least one member who is age 62 years or older and to charge annual rent not to exceed thirty percent (30%) of fifty percent (50%) of Median Income adjusted for household size. Of the 120 units, 23 will be occupied by formerly chronically homeless seniors who will be referred from the Department of Public Health – Direct Access to Housing Program; and,

WHEREAS, The Agency and Bayview Supportive Housing, LLC, a California limited liability company ("BSH") entered into a Tax Increment Loan Agreement dated January 18, 2011 (the "Predevelopment Loan Agreement"), pursuant to which the Agency agreed to provide BSH with a predevelopment loan in an amount not to exceed \$684,000 (the "OCII Loan") to pay predevelopment expenses associated with the development of the Project. (BSH (comprised of McCormack Baron Salazar, Inc. and Bayview Hunters Point Multipurpose Senior Services, Inc.) was initially established as the developer entity for the Project. Ultimately all agreements related to the Project, including any executed by BSH, will be assigned to the Tenant.) The predevelopment loan was evidenced by a Promissory Note dated January 18, 2011. OCII and BSH entered into an Amended and Restated Tax Increment Loan Agreement, dated September 3, 2013, to increase the OCII Loan to an amount not to exceed \$19,100,000 to pay for predevelopment costs and construction costs. Concurrent with execution of the Ground Lease Agreement, the OCII Loan will be assigned to the Tenant; and,

WHEREAS, The Project has been identified by the Tenant, and approved by U.S. Department of Housing and Urban Development ("HUD"), as the first phase of off-site housing for qualified Alice Griffith public housing residents, under the \$30.5 million Choice Neighborhoods Implementation Grant ("CNI Grant") award to Alice Griffith public housing/Eastern Bayview neighborhood. OCII has an enforceable obligation to ensure the

development of the Alice Griffith public housing revitalization through the Hunters Point Shipyard Phase II / Candlestick Point Development and Disposition Agreement. As the first phase of the Alice Griffith revitalization, the Project will prioritize leasing of Project units to Alice Griffith residents who want to live in a senior housing environment. Meanwhile all public housing units will be replaced on-site at Alice Griffith. Accordingly, the Project will be an added option for seniors living at Alice Griffith now who are interested in senior housing and may need better access to senior services; and,

WHEREAS, The Tenant is now requesting to enter into a fifty-five (55) year ground lease (with one forty-four (44) year option) in connection with the development and operation of the Project (the "Ground Lease Agreement"); and,

WHEREAS, For purposes of implementation and to ensure consistency with the City's overall affordable housing goals and priorities, the Mayor's Office of Housing and Community Development ("MOHCD") is providing project management, loan underwriting, construction monitoring and design review, including approving and processing loan disbursements in cooperation with OCII. On January 24, 2012, the City, by Board of Supervisors Resolution 11-12 and in accordance with Section 34176 of Dissolution Law, accepted the transfer of affordable housing assets through the Mayor's Office of Housing (now MOHCD). Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as required by Dissolution Law. Additionally, at the time of transfer to MOHCD, or subsequent to such transfer, the Tenant will transfer a portion of an adjacent parcel to MOHCD and the Ground Lease will be amended to reflect a revised legal description based on such transfer; and,

WHEREAS, On September 1, 2005, the Planning Commission adopted a Final Mitigated Negative Declaration ("FMND") for the proposed Project. The FMND describes the proposed Project, assesses the potential environmental impacts of the Project, and identifies mitigation measures to preclude significant impacts or reduce such impacts to less than significant levels. The Planning Commission also approved a Conditional Use Application and the Mitigation Monitoring Program that attaches the mitigation measures contained in the FMND to the Conditional Use Authorization. On October 12, 2012, an Addendum to the FMND, was prepared and certified to reflect the Project, and the incorporation of streetscape and pedestrian improvements along the northern portion of the site and Carroll Avenue. On October 25, 2012, the Planning Commission found the FMND and the Addendum to FMND were adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and the Planning Commission, and is in compliance

with the California Environmental Quality Act ("CEQA"). The Ground Lease Agreement will provide for the leasing of the Site for the construction and operation of the Project, and staff has reviewed the Ground Lease Agreement and finds it to be within the scope of the Project analyzed in the FMND (per CEQA) and addenda and no additional environmental review is needed; and,

WHEREAS, A copy of the Ground Lease Agreement is on file with the Secretary of this Commission; now, therefore, be it

RESOLVED, That the Commission on Community Investment and Infrastructure authorizes the Executive Director to execute a Ground Lease Agreement, substantially in the form of the agreement on file with the Secretary of the Commission and approved as to form by the City Attorney, for an initial term of fifty-five (55) years, with a one forty-four (44) year option, for the development of 120 very low-income senior rental housing units (plus one manager's unit) and a ground floor senior center at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042), and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of November 19, 2013.

Natasha Jones
Commission Secretary



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

Affordable Housing (Sec. 415)

First Source Hiring (Admin. Code)

Jobs Housing Linkage Program (Sec. 413)

Child Care Requirement (Sec. 414)

Downtown Park Fee (Sec. 412)

Other (In-lieu Fee Agreement)

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Planning Commission Motion No. 18730

HEARING DATE: OCTOBER 25, 2012

Date: October 4, 2012

Case No.: 2012.0045CE

Project Address: 5800 Third Street

Block/Lot(s): 5431A/ 041 – Building No. 3

5431A/ 042 – Building No. 4

5431A/ 043 – Buildings No. 1 & 2

5415/ 002, 005 – Carroll Avenue

Zoning: M-1 (Manufacturing, General) District
Bayview-Hunters Point Redevelopment Plan
65-J Height & Bulk District

Project Sponsor: Lots 041 & 043:
Holiday Development
Third Street Equity Partners LLC
1201 Pine Street, Suite 151,
Oakland, CA 94607

Lots 042, 002, 005:
McCormack Baron Salazar
50 California Street, Suite 1500
San Francisco, CA 94111

Staff Contact: Tara Sullivan, 415-558-6258
tara.sullivan@sfgov.org

ADOPTING FINDINGS TO MODIFY THE PROJECT KNOWN AS "5800 THIRD STREET" WHICH WAS ORIGINALLY APPROVED THROUGH CASE NO. 2003.0672CEK, MOTION NO. 17089, ON SEPTEMBER 1, 2005, AS A CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 134, 140, 215, 303, AND 304 OF THE PLANNING CODE FOR A PLANNED UNIT DEVELOPMENT, TO MODIFY THE SITE PLAN AND OVERALL DESIGN TO BUILDINGS NO. 3 AND NO. 4 AS

ORIGINALLY APPROVED, TO CONSTRUCT A FIVE-STORY RESIDENTIAL BUILDING WITH 150 MARKET-RATE UNITS AND 129 OFF-STREET PARKING SPACES (NOW BUILDING NO. 3, PARCEL 041), AND CONSTRUCT A FIVE-STORY RESIDENTIAL BUILDING WITH 121 AFFORDABLE UNITS SPECIFICALLY DESIGNED FOR SENIOR CITIZENS, A 14,967 SQUARE FOOT SENIOR COMMUNITY CENTER, AND 54 OFF-STREET PARKING SPACES (NOW BUILDING NO. 4, PARCEL 042), FOR PROPERTY LOCATED IN THE M-1 (MANUFACTURING, GENERAL) ZONING DISTRICT, THE 65-J HEIGHT AND BULK DISTRICT, AND THE BAYVIEW-HUNTERS POINT AREA PLAN, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND PLANNING CODE SECTION 101.1.

PREAMBLE

On September 1, 2005, under Case No. 2003.0672CEK and Motion No. 17089, the San Francisco Planning Commission approved a Conditional Use Authorization/Planned Unit Development pursuant to Planning Code Sections 303 and 304 allowing construction of a moderate density mixed use development of 343 dwelling units, approximately 13,000 square feet of ground floor commercial space, up to 381 off-street parking spaces, and three loading spaces. The Planning Commission also approved modifications of Planning Code requirements related to location of the required rear yard and density, and made CEQA findings.

On July 12, 2012, SF Third Street Equity Partners LLL (Holiday Development) and McCormack Baron Salazar, in conjunction with the Mayor's Office of Housing, filed with the Planning Department ("hereinafter Department"), a Conditional Use Authorization application under Planning Code Sections 303 and 304 to modify the previously approved Planned Unit Development to change the project's site plan and use program, request exceptions to the rear yard location, dwelling unit exposure, density, and incorporate Lots 002 & 005 in Block 5415, for the property known as "5800 Third Street", located in an M-1 (Manufacturing, General) Zoning District, and within a 65-J Height and Bulk District and the Bayview-Hunters Point Redevelopment Plan - Area B ("modified project").

On October 25, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2012.0045CE.

On April 30, 2005, under Case No. 2003.0672E, a Draft Initial Study/Mitigated Negative Declaration ("IS/MMD") for a project proposing construction of 355 multi-family residential units in four buildings, 13,000 square feet of retail, and 379 off-street parking spaces was prepared and published for public review. The Planning Department reviewed and considered the Final Mitigated Negative Declaration ("FMND") and found that the contents of said report and the procedures through which the FMND was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

On September 1, 2005, the Planning Commission found the FMND was adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and the Planning

Commission, and approved the FMND for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

On October 17, 2007, an Addendum to Mitigated Negative Declaration, Case No. 2003.0672CEK, was prepared and certified, which analyzed the increase of the retail space from 13,000 square feet to 21,000 square feet to accommodate a grocery store ("Fresh & Easy"). The Addendum to Mitigated Negative Declaration, Case No. 2003.0672E, concluded that the FMND adopted and issued on September 1, 2005 remains valid and that no supplemental environmental review is required for the revised project aforementioned.

On October 12, 2012, an Addendum to Mitigated Negative Declaration, Case No. 2003.0672E, was prepared and certified which analyzed the current project, Case No. 2012.0045CE, proposing modifications to the Planned Unit Development, specifically, to modify the site plan and overall design to Buildings No. 3 and No. 4 as originally approved, to construct a five-story residential building with 150 market-rate units and 129 off-street parking spaces (now Building No. 3, parcel 041), and to construct a five-story residential building with 121 affordable units specifically designed for senior citizens, a 14,967 square foot senior community center, and 54 off-street parking spaces (now Building No. 4, parcel 042), and the incorporation of streetscape and pedestrian improvements along the northern portion of the site and Carroll Avenue. The Addendum to Mitigated Negative Declaration, Case No. 2012.0045E, concluded that the FMND adopted and issued on September 1, 2005 remains valid and that no supplemental environmental review is required for the revised project aforementioned.

On October 25, 2012, the Planning Commission found the FMND and the Addendum to Mitigated Negative Declaration, under Case Nos. 2012.0045E, were adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and the Planning Commission, [and that the summary of comments and responses contained no significant revisions to the Draft IS/MND,] and reaffirmed the FMND and approved the Addendum for the currently proposed project under Case No. 2012.0045C, in compliance with CEQA, the CEQA Guidelines and Chapter 31. Planning Department staff prepared a Mitigation Monitoring & Reporting Program ("MMRP"), which material was made available to the public and this Commission for this Commission's review, consideration and action.

To provide current project information to the Planning Commission and the public, this Motion contains a full description of the development (the original project as modified) and its compliance with the Planning Code and General Plan.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

The Planning Department, Linda Avery, is the custodian of records, and they are located in the File for Case No. 2012.0045CE at 1650 Mission Street, Fourth Floor, San Francisco, California.

MOVED, that the Commission hereby authorizes the Conditional Use Authorization requested in Application No. 2012.0045CE, subject to the conditions of Motion Nos. XXXX, except as specifically modified herein, contained in "EXHIBIT A" of this motion, based on the following findings:

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. **Site Description and Present Use.** The 6.15-acre site (275,096 square feet) consists of five lots and is located off Third Street between Carroll and Paul Avenues in the Bayview District. The site is divided into four "quadrants". The western portion of the site faces the Caltrain railroad tracks/right-of-way. There is a private road ("Private Drive") that runs north-south off of Carroll Avenue which splits the site into two halves, and provides access to the rear two lots. Lots 041 and 042 are interior lots and abut each other, with lot 042 being to the north of lot 041. Lots 002 & 005 (Block 5415) are triangle-shaped lots that will be incorporated into the larger site to provide open space, drop-off services for Lot 042, and as a portion of Carroll Avenue. Currently lot 041 is partially paved and used as a parking lot, and lot 042 is undeveloped land.

Lot 043 contains Buildings No. 1 & 2, which were approved in 2005. There are 137 residential units in these two buildings with 17 below-market-rate units located on site. There is 21,000 square feet of retail and commercial space at the ground floor along Third Street, which is currently occupied by a grocery store ("Fresh & Easy") and a restaurant ("Limon Restaurant"). The remainder of the retail use is currently vacant.

Carroll Avenue is a plotted street but only partially developed. It is paved from Third Street to the Private Drive, with sidewalks and utilities. There is an active rail spur that runs along Carroll Avenue. This spur consists of rail lines that are flush with grade.

3. **Ownership.** 5800 Third Street was owned by Third Street Equity Partners LLC (Holiday Development) when the project was originally approved in 2005. Since the 2005 approval, the site has been subdivided into three lots. Two of the lots (041 & 043) are still owned by SF Third Street Equity LLC (Holiday Development), who was the original project sponsor. Lot 042 is owned by the Mayor's Office of Housing in conjunction with McCormack Baron Salazar. In addition, Lots 002 and 005 (Block 5415) are currently being purchased by the City of San Francisco in conjunction with McCormack Baron Salazar and incorporated into the project for access to Carroll Avenue and accompanying open space. All five parcels are included in the modified Planned Unit Development.
4. **Surrounding Properties and Neighborhood.** 5800 Third Street is in the Bayview neighborhood in the southeast portion of San Francisco. This area has undergone considerable change due to the implementation of area plans and redevelopment in the past decade. The neighborhood is transitioning from a heavy industrial neighborhood to a mixed-use neighborhood with a mix of residential, retail, open space, and light industrial uses. There are several large housing developments to the north of the site and Candlestick Park is several blocks to the east of Third Street. Caltrain runs along the rear of 5800 Third Street and Bayshore Boulevard, and Highway 101, are a few blocks to the west of the site. The Third Street light rail runs north-south along the

east of the subject property. The Martin Luther King public pool and community center, Bayview Park, and K.C. Jones playground are diagonally across from the project site on Third Street. There is an active rail spur that runs south from Mendall Street and turns onto Carroll Avenue, which is the northern edge of the site, terminating at South Basin on the bay. Building heights range from one to two stories in the immediate vicinity, with Buildings No. 1 & 2 at 5800 Third Street being five stories. The surrounding area is zoned M-1 (Manufacturing, General) and PDR-2 (Core Production, Distribution, and Repair), the Third Street Special Use District runs along Third Street, and the Design & Development District is adjacent to the site.

5. **Modified Project Description.** Planning Code Section 304 requires that the Planning Commission review and evaluate all Planned Unit Developments ("PUD"). The intent of a PUD is for projects on a site of considerable size, developed as integrated units, and designed to project an environment of stable and desirable character which will benefit the occupants, neighborhood, and the City as a whole. In certain cases, such a project may merit modification(s) of certain provisions contained in the Planning Code. Any substantial modification of an approved PUD must be reviewed by the Planning Commission.

Pursuant to Planning Code Section 304, the revised project is requesting Planning Code exceptions for location of the required rear yard (Section 134), dwelling unit exposure (Section 140), and density (Section 215). There will be the following modifications to the 2005 PUD:

a) Site Plan.

The project site will have the same general overall configuration as what was approved in 2005. There are four "quadrants", each consisting of several buildings. The site is divided in half by a private road running north-south. The footprints of the buildings on Lots 041 and 042 are being reduced and reconfigured from a square-shaped plan with a series of connected buildings to two buildings running parallel to each other. There will be a shared open space in the form of a mews between and connecting the two quadrants. There are no changes to Lot 043.

b) Dwelling Units.

The Planned Unit Development approved on September 1, 2005 (Motion No. 17089) permitted 343 units but no more than 417 units on all four development parcels. 137 units were constructed in Buildings No. 1 and No. 2, with 206 units remaining to be built.

Planning Code Section 207.1 states that density must be calculated according to lot size and cannot be transferred from one lot to another. The original PUD was for one lot, thus allowing each 'quadrant' to have a flexible number of dwelling units. However, in 2007, the project site was subdivided into three separate lots – 041 (Building No. 3), 042 (Building No. 4), and 043 (Buildings No. 1 & 2). Therefore, in order for Buildings No. 3 & 4 to be constructed with the increased number of dwelling units proposed, the dwelling unit count must be reallocated to all three parcels. The total number of dwelling units in this revised PUD will be 408, and the maximum density under the Planning Code would remain 417 units.

	2005 Approval	2012 Proposed Modification
Buildings No. 1 & 2	140	137
Building No. 3	88	150
Building No. 4	115	121
Total	343	408

c) Senior Housing.

The original project was for market-rate housing on all four quadrants. The proposal for Building No. 4, Lot 042, is a five-story residential building with 121 affordable units specifically designed for senior citizens pursuant to Planning Code Section 102.6.1. All Code requirements related to senior housing will be met on this site.

d) Senior Community Center.

An approximately 14,967 square foot senior community center will be constructed at the ground floor of Building No. 4 (Lot 042). The senior community center will be open to the public and will provide meals, recreation activities, education classes, health and wellness activities, and social services/case management for approximately 50 seniors a day as well as the seniors who live on the property.

e) Affordable Housing.

The project was approved in 2005 with 41 on-site below-market-rate units (12 percent of 343 units), meeting the Affordable Housing Program of Planning Code Section 415 (formerly 315). 17 of these units were constructed in Buildings No. 1 & 2. Building No. 4, Lot 042, is constructing 100 percent affordable housing for seniors and under current Code requirements, is exempt from the Affordable Housing Program. Building No. 3, Lot 041, is meeting the Program by providing 23 below market rate units on-site.

6. **Public Comment.** As of October 18th, the Department has received no public comment with regard to the project at 5800 Third Street.
7. **Entitlement Required:** The Commission must approve the Conditional Use Authorization to allow for modifications to the 5800 Third Street PUD approved pursuant to Case No. 2003.0672CEK, Motion No. 17089, on September 1, 2005. Modifications to the original project's site plan through the rearrangement of building footprints, changes to the use program at Building No. 4 (Lot 042), changes in building architecture and massing and locations of courtyards and open space have been made. In addition, a number of Planning Code requirements have been adopted since the original Conditional Use Authorization/Planned Unit Development entitlement was approved in September 2005. All Code updates have been incorporated into the modified PUD. The project is seeking exceptions for three Code Sections: 1) exception of the required rear yard, per Planning Code Section 134, for a rear yard that is provided throughout the development rather than in one contiguous area parallel to the front property line; 2) exception of dwelling unit exposure, per Planning Code Section 140, for 34

dwelling units that do not meet the 25 foot dimensional exposure requirement (32 units at Building No. 3, parcel 041; 2 units at Building No. 4, parcel 042); and 3) exception of the density requirements, per Planning Code Section 215, to allow for the allocation of density to Lots 041 and 042 to increase the number of units on those lots.

8. **Planning Code Compliance:** The Commission finds that the modified Project is consistent with the relevant provisions of the Planning Code in the following manners:

Planning Code requirements for which modifications through a Planned Unit Development are requested.

1. Rear Yard. Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth of the lot. Rear yards are to be provided opposite the site's frontage (at the rear of the property). For the subject site, the required rear yard would be approximately the last 50 feet along parcel 041, and increasing to approximately 66 feet along parcel 042.

The 2005 PUD included an exception for rear yard requirements. The site is 6.15 acres, or 275,096 square feet, in size and has been designed to provide sufficient housing while maximizing the amount of open space. The modified site plan contains approximately 37,196 square feet of common open space, which varies from interior courtyards, rooftop gardens and decks, communal food gardens, and outdoor activity space. There is a 25 foot wide open space 'buffer' along the western property line which serves as a fire access easement and will be landscaped. While there is not a rear yard that complies with the Code, there is sufficient open space that provides the needed light and air to the residents on the site. On Buildings No. 3 & 4, the proposal calls for 24,061 square feet of open space including shared mews between the two buildings, which is comparable to that of a required rear yard. Therefore, this Conditional Use Authorization/PUD includes a modification to the rear yard requirement so that the open space can be provided throughout the site instead of in one continuous space on the lot that is opposite the site's frontage.

2. Dwelling Unit Exposure. Planning Code Section 140 requires all dwelling units to face an open area that do not face a public street, alley, or side or rear yard that is a minimum of 25 feet in width or a Code-complying rear yard on the first two floors of dwelling units, with an increase of five feet in every horizontal at each subsequent floor.

On Building No. 3, Lot 041, there are approximately 32 units that do not meet these requirements, and on Building No. 4, Lot 042, there are approximately 2 units that do not meet this requirement because all of these units are west facing and front a rear yard that is not Code-complying as described above.

3. Density. Planning Code Section 215 permits dwelling units in M-1 Districts at a density ratio not exceeding the number of dwelling units permitted in the nearest RM District. Planning Code Section 207.1 further states that density must be calculated according to lot size and cannot be transferred from one lot to another.

The PUD approved on September 1, 2005 (Motion No. 17089) permitted 343 units but no more than 417 units on all four development parcels. 137 units were constructed in Buildings No. 1 and No. 2, with 206 units remaining to be built. The original PUD was for one lot, thus allowing each 'quadrant' to have a flexible number of dwelling units. However, in 2007, the project site was subdivided into three separate lots – 041 (Building No. 3), 042 (Building No. 4), and 043 (Buildings No. 1 & 2). Therefore, in order for Buildings No. 3 & 4 to be constructed with the increased number of dwelling units proposed, the dwelling unit count must be reallocated to all three parcels. The total number of dwelling units in this revised PUD will be 408, and the maximum density permitted would remain 4178 units.

The Development complies with the following Planning Code requirements.

4. Use. The development includes residential, community facility, and retail in the M-1 Zoning District.

Under Section 215(a), dwellings are permitted as-of-right in the M-1 Zoning District; Section 218(b) permits retail uses as-of-right in the M-1 Zoning District; and Section 217(d) permits "social service or philanthropic facility providing assistance of a charitable or public service nature" as-of-right in the M-1 Zoning Districts. Therefore, all the uses – both existing and proposed – for 5800 Third Street are Code complying.

5. Senior Housing. Planning Code Section 102.6.1 defines a development that is specifically designed for and occupied by senior citizens as "a residential development developed, substantially rehabilitated or substantially renovated for, senior citizens that has at least 35 dwelling units." All senior citizen housing developments must meet the requirements of related city, state, and federal Codes, and must have specific design elements such as accessible entryways and walkways, railings, and common areas.

Building No. 4 (Lot 042) is proposed to be a 121 dwelling unit senior citizen housing development and will meet all of the requirements of Planning Code Section 102.6.1, including design, accessibility, and occupancy. Building No. 4 will remain a senior housing development for the lifetime of the building. The proposal calls for all 121 units to be 100 percent affordable.

6. Open Space. Planning Code Section 135 requires that 36 square feet of private usable open space be provided for every dwelling unit in M-1 Districts. The open space requirement must be multiplied by 1.33 when provided as common open space. For senior housing, the amount of required open space is ½ the amount otherwise required.

Both buildings are providing common open space to meet this Code requirement. Building No. 3, (Lot 041), must provide 7,182 square feet of open space for 150 dwelling units - it is providing 9,031 square feet. Building No. 4, (Lot 042), must provide 2,896 square feet of open space for 121 dwelling units specifically designed for senior citizens – it is providing 14,858 square feet. The type of open space varies from interior courtyards, rooftop gardens and decks, communal food gardens, and outdoor activity space including dining and recreation spaces. In addition, there will

be several private patios provided on Building No. 4, there is an approximately 10,188 square feet shared mews between both buildings, and the ground floor loft-style dwelling units on Building No. 3 have front yards for their use. Buildings No. 1 & 2 are providing open space in the form of interior courtyards and a shared mews between the buildings. Further, the proposal calls for the incorporation of Lots 002 & 005 of Block 5415 at the north of the site, to provide additional open space in the form of garden and landscaped areas. Collectively, the project provides a minimum of 37,196 square feet of open space and thus satisfies open space requirements.

7. Street Trees. Planning Code Section 138.1 requires street trees and other streetscape improvements to be installed by a project sponsor constructing a new building in an M-1 District at the rate of one tree for each 20 feet of frontage of the property along each street.

Building No. 3 (Lot 041) is required to have 10 street trees along the frontage of the Private Drive. Building No. 4 (Lot 042) is required to have 9 street trees along Carroll Avenue and 10 on the Private Drive. Both buildings are meeting this requirement.

8. Bird-Safe Standards. Planning Code Section 139 outlines bird-safe standards for new construction to reduce bird mortality from circumstances that are known to pose a high risk to birds and are considered to be "bird hazards." Feature-related hazards may create increased risk to birds and need to be mitigated.

Both buildings have been designed to reduce the impact of bird risks. The majority of building materials are solid, such as wood panels and siding, cement plaster block, and hardi-trim panels. There are no large expanses of glass that would create a bird hazard. Therefore the project complies with the treatments required by Planning Code Section 139.

9. Streetscape and Pedestrian Improvements. Planning Code Section 138.1(c)(2) requires that the Better Streets Plan must be met for lots that are greater than half an acre (21,780 square-feet) and includes new construction. Projects that meet these requirements must submit a streetscape plan that is consistent with the Better Streets Plan.

5800 Third Street has provided a streetscape plan which provides streetscape improvements on Carroll Avenue and the Private Road. Lots 002 & 005 in Block 5415 are being incorporated into the PUD and will be used as a part of the Better Streets program. Improvements include regrading Carroll Avenue and extending it up towards the Caltrain track/right-of-way. There will be a curved garden space on the north side of the Avenue, which will have landscaping and a minimum of 15 trees. The sidewalk on this side of the Avenue will be 6 feet wide and have 18 street trees with planting beds between the trees and new street lights installed. There will be approximately 14 street parking spaces that will be parallel to the sidewalk and curb. There will be 6 street trees and planting areas at the eastern end of Carroll Avenue near Third Street. Two new bulb-outs and crosswalks will be created – one at the western side of the street and one at the Private Drive. On the southern side of Carroll Avenue, there will be a 13 foot-wide sidewalk with 16 street trees, planting beds between, and new street lights. There will be no parking on this side

of the Avenue. Lot 005, Block 5415 will be incorporated into the PUD and be used for access to Building No. 4 (Lot 042) and landscaping. A short "U" shaped driveway to Building No. 4 will be created (the "Drop Off Plaza"), with three parallel parking spaces. There will be a variety of landscaping and trees installed on the northern portion of Building No. 4, including "The Grove". In addition to the improvements on Carroll Avenue, the proposal also calls for the creation of additional bulb-outs at the north of the Private Road, the installation of several speed tables, and additional landscaping and buffers. The railroad spur and tracks along with a 25 foot wide easement will remain and will not have any streetscape improvements that may impede its use or services.

The revised proposal for 5800 Third Street calls for extensive streetscape, landscape, and public improvements that were not a part of the original PUD. These elements will greatly enhance the quality of life for the residents and users of 5800 Third Street and the neighborhood. Lastly, it will pave this portion of Carroll Avenue, which is currently undeveloped and unused. The project is meeting the requirements of the Better Streets Plan under Code Section 138.1.

10. Rooftop Screening. Section 141 requires that all rooftop mechanical features in M-1 Districts be screened from the public right of way.

The new buildings at 5800 Third Street will have a series of solar hot water and PV panels, as well as other mechanical penthouses and equipment. Both buildings will have a 42 inch high parapet on all facades, thus shielding any rooftop features from view.

11. Off-Street Parking. Planning Code Section 151.1 does not require off-street parking for any uses in the M-1 District, and provides maximum parking amounts based on land use type. Section 151.1 permits up to one car for each two dwelling units as-of-right, and any additional off-street parking is permitted under Section 223(p).

There were 381 off-street parking spaces approved in the 2005 PUD. 189 spaces were constructed in Buildings No. 1 & 2 (137 for residential uses, 52 for retail uses). Building No. 3 (Lot 041) will have 129 spaces, and Building No. 4 (Lot 042) will have 54 spaces. The total number of off-street parking spaces in this modified PUD will be 372, which is less than what was approved in 2005. The project is meeting the off-street parking requirements of Sections 151.1 and 223(p).

12. Loading. Section 152 requires certain amounts of off-street freight loading spaces based on the type and size of uses in a project. For the revised project at 5800 Third Street, one loading space is required for both Buildings No. 3 & 4.

Building No. 3 (Lot 041) will have one loading space on Carroll Avenue directly in front of the main building entrance. Building No. 4 (Lot 042) will have two loading spaces in the drop off area at the front of the building off of Carroll Avenue. Both buildings are meeting the requirements of Section 152.

13. Bicycle Parking, Showers & Lockers. Planning Code Section 155.5 states that new residential buildings install spaces devoted to bicycle parking. For projects that have over 50 units, 25 spaces plus 1 space for every four units are required. Dwellings designed and dedicated to senior citizens do not have bicycle parking requirements. In addition, Planning Code Section 155.3 requires one shower and two lockers be provided in new buildings with 10,000 to 20,000 square feet of commercial uses for employees and/or tenants.

Building No. 3 (Lot 041) is required to have 50 bicycle spaces and is providing 72 for the use of the residents. There are no shower and locker requirements for Building No. 3.

As a senior citizen development, Building No. 4 (Lot 042) is not required to provide bicycle parking, but is proposing 34 spaces for the use of the residents and users of the senior community center. In addition, Building No. 3 will provide one shower and two lockers in the senior community center. These facilities will be available for the staff of the community center.

14. Car Share. Planning Code Section 166 requires all newly constructed buildings provide car-share spaces which are available to the general public. For residential buildings, the number of car-share spaces is determined by the total number of dwelling units. Buildings with 50 to 200 dwelling units must provide 1 car share space.

Both Buildings No. 3 & 4 are required to have one car share space available to the general public. The two spaces are proposed to be located on the Private Drive in front of Building No. 3's (Lot 041) entrance (adjacent to the required loading space). These spaces will be clearly marked and the curb will have necessary markings to indicate that these spaces are to be used solely for car share. If at any time this location becomes unavailable to the general public or if they cannot remain dedicated to car share then they will be moved to another location on the site.

15. Unbundled Parking. Planning Code Section 167 requires that all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units.

Buildings No. 3 & 4 are providing off-street parking that is accessory to the residential dwellings on site. These spaces will be unbundled and sold and/or leased separately from the dwelling units. For Building No. 3 (Lot 041), the 7 spaces dedicated to the senior community center shall not be subject to this requirement, but they must be clearly delineated and grouped together in the parking garage.

16. Shadows. Planning Code Section 295 generally does not permit new buildings over 40-feet in height to cast new shadows on a property owned and operated by the Recreation and Park Commission.

The proposed height for Buildings No. 3 & 4 is 57 and 55 feet, respectively. A shadow analysis conducted by the Department shows that there will be no shadows cast upon the Martin Luther King Pool and Bayview & K.C. Jones Playground.

17. Affordable Housing. Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of five or more units, where the first application was applied for on or after July 18, 2006.

Pursuant to Planning Code Section 415.3(c)(4)(A)(i) and (ii), the Inclusionary Housing Program shall not apply to 1) a project using California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing as long as the project provides 20 percent of the units as affordable at 50 percent of area median income for on-site housing or 25 percent of the units as affordable at 50 percent of area median income for off-site housing, or to 2) a project that is an 100% affordable housing project in which rents are controlled or regulated by any government unit, agency or authority, and in which the Mayor's Office of Housing confirms that the project meets this requirement.

In addition, Planning Code Section 415.5 and 415.6, permit projects to meet the Inclusionary Affordable Housing Program requirement through the On-site Affordable Housing Alternative by providing 15% of the proposed dwelling units as affordable.

Building No. 3 (Lot 041) has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project. The Project Sponsor submitted such Affidavit on October 22, 2012. The EE application was submitted on April 13, 2012. 23 units (6 two-bedroom, 10 one-bedroom, and 7 studios) of the 150 units provided will be affordable units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable.

Building No. 4 (Lot 042) is proposing to provide 100 percent of the units as affordable for senior citizens and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415.' The Mayor's Office of Housing confirms, through a letter on file, that the project meets this requirement. In this case, the requirements of the Inclusionary Housing Ordinance, Planning Code Section 415 would not apply to the Project for so long as all of the conditions set forth in Planning Code Section 415.3(c)(4) are satisfied. If the Building No.

4 fails to provide rents that are controlled by any government agency at any time, Building No. 4 shall not be deemed to satisfy the requirements of the Planning Code Section 415.3(c)(4) exemption, and must pay the Affordable Housing Fee with interest, if applicable or provide the required amount of units on-site.

9. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

5800 Third Street was approved as a Planned Unit Development in September 2005 (Motion No. 17089). The revised project site will generally have a similar configuration and plan as what was approved in 2005. There are four 'quadrants', each consisting of several buildings. The site is divided in half by a private road running north-south. The footprints on Lots 041 and 042 are being reduced and reconfigured from a square-shaped plan with a series of connected buildings to two buildings running parallel to each other. There will be a shared open space in the form of a mews between and connecting the two quadrants. Buildings No. 1 and 2 have been constructed and conform to the original PUD.

The project's use, size, density and height are compatible with the surrounding community. The mixed use character of the project is compatible with adjacent and nearby land uses. The surrounding neighborhood has undergone considerable change as a result of the implementation of area plans and redevelopment in the past decade, and is transitioning from a heavy industrial neighborhood to a mixed-use neighborhood with a mix of residential, retail, open space, and light industrial uses, and there are varying building heights to create a diversity of building character. Furthermore, the project's location will compliment the Third Street light rail line by providing a higher density along a transit corridor.

The project will provide additional housing to this portion of the Bayview neighborhood, both market-rate and senior housing. There is little housing dedicated solely as affordable for senior citizens, and the addition of 271 dwelling units will help bring additional population to the area and help create a vibrant, engaged community. The senior community center is desirable and compatible with this portion of the Bayview neighborhood and will enable seniors to interact with each other and engage with the community.

5800 Third Street will enhance and preserve the diversity of the Bayview neighborhood by providing quality housing for a range of incomes and families. Building No. 4 (Lot 042) will be dedicated exclusively to affordable housing for low-income seniors, which is a needed housing type and will help ensure that the neighborhood continues to be accessible to current residents. Building No. 3 (Lot 041) will provide additional market-rate housing which will add to the limited supply of new dwelling units in the neighborhood.

5800 Third Street is consistent with the Bayview Hunters Point Area Plan, Third Street Special Use District, Bayview Hunters Point Redevelopment Plan, and the Bayview Hunters Point Revitalization Concept Plan, all of which contemplate residential and community service uses in this portion of Bayview.

Lastly, the project will provide a significant amount of new open space, and will complete the development of Carroll Avenue on this block. The Avenue will be heavily landscaped and will provide much needed improvements to this portion of the Bayview neighborhood.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

5800 Third Street is located on an odd-shaped site. Carroll Avenue is only partially developed, and there is little access to Lots 041 & 042, which are located at the rear of the site. The revised site plan better accommodates the shape of the lots and reduces the massing, thus opening up each lot to more open space. The revised buildings are arranged to maximize sunlight and air, while being sensitive to the adjacent Caltrain rail tracks on the western portion of the site. The overall height and massing of the buildings are compatible with the existing Buildings No. 1 & 2, and with the surrounding neighborhood.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The 2005 PUD contained 381 off-street parking spaces. The revised project will decrease this amount to 372 spaces, all of which will be underground. 5800 Third Street is well served by MUNI and a variety of other transit options. Carroll Avenue has been designed to encourage walking to and from the site, in particular the senior community center, and there are a minimal number of parking spaces on the Avenue. There will be two car share spaces on site, encouraging residents to take advantage of this service and decrease the number of cars on the site. Further, there will be 150 bicycle spaces on the site. The revised site plan has been designed to take advantage of all means of transit, with a focus on public modes and walking.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

Since this will primarily be a residential project, unusual noise, odor, dust and glare as a result of its operations will generally not occur. The buildings will comply with Title 24 standards for noise insulation. The materials for the facades of the buildings will not result in glare. The project

would generate additional night lighting, but not in amounts unusual for an urbanized area. Design of exterior lighting will ensure that off-site glare and lighting spillover are minimized.

Construction noise impacts would be less than significant because all construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, as amended November 2008). The SF Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Therefore, the project sponsor and construction contractor would be required to follow specified practices to control construction dust and compliance with this new ordinance.

The 21,000 square feet of retail space has been approved and constructed in Buildings No. 1 & 2, and contain a grocery store and restaurant businesses. These uses are subject to the standard conditions of approval for restaurants and outlined in Exhibit A. These conditions specifically obligates the mitigation of odor and noise generated by these uses.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

5800 Third Street has carefully thought-out and designed the open spaces of the site. The incorporation of Lots 002 & 005 (Block 5415) has enabled Carroll Avenue to have additional landscaped areas as well as providing public spaces for the community. Carroll Avenue will be paved and developed, will have a minimum amount of parking, and a large amount of greening. There will be at least 56 trees planted on both sides of the Avenue with planting beds, new lighting, and other pedestrian-friendly features.

Buildings No. 3 & 4 are providing a large amount of landscaping and open spaces. The type of open space varies from interior courtyards, rooftop gardens and decks, communal food gardens, and outdoor activity space including dining and recreation spaces. There are additional open spaces in the form of interior courtyards and a shared mews between the buildings. The ground floor loft-style dwelling units on Building No. 3, Lot 041, have landscaped front yards, and there is a 25 foot wide open space 'buffer' along the western property line which serves as a fire access easement and will be landscaped. Buildings No. 1 & 2 have landscaped areas incorporated into their sites, mainly in interior courtyards and between the buildings.

The three drop off parking spaces off of Carroll Avenue for Building No. 4 (Lot 042) will be appropriately screened from view with street trees. Site lighting will be a combination of pole, building mounted and low level lighting to provide necessary illumination levels, while complementing the site design. The lighting will be designed to support the security of the site and the surrounding neighborhood.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

5800 Third Street is not located within a neighborhood commercial district. However, the proposed uses are in conformity with the Bayview Hunters Point Area Plan, Third Street Special Use District, Bayview Hunters Point Redevelopment Plan, and the Bayview Hunters Point Revitalization Concept Plan. Lastly, the project is compatible with the surrounding neighborhood.

10. **Planning Code Section 304** establishes criteria and limitations for the Planning Commission to consider when reviewing applications for the authorization of PUD's over and above those applicable to Conditional Uses. On balance, the project does comply with said criteria and limitations in that:

- a. Affirmatively promote applicable objectives and policies of the General Plan;

This project furthers multiple existing General Plan and the Bayview Hunters Point Plan Area objectives and policies relating to housing, transportation and circulation, recreation and open space, and urban design.

Specifically, this mixed use project will create approximately 408 dwelling units of varying sizes, types and affordability levels in four 'quadrants', each with several interconnected buildings. The project will provide affordable and high quality living units, with 121 units being designed and dedicated to low-income senior citizens at Lot 042. In addition, the project will include a senior community center welcoming to seniors and the community.

In terms of promoting the City's transportation policies, the project provides on-site parking of up to 372 spaces. In Buildings No. 3 & 4 (Lots 041 and 042), the cost of the parking space will be unbundled from the housing costs borne by the residents. Consistent with the City's Transit First policy, the uses that are neighborhood oriented (e.g., retail and community facility) are located closest to Third Street's transit lines. Pedestrian circulation through the site is encouraged by the Private Drive and by the wide sidewalks and bulb-outs that occur at the site's corners.

- b. Provide off street parking adequate for the occupancy proposed;

The project will provide 372 off-street parking spaces in four underground garages. All of the off-street parking is accessed from the Private Drive, thus minimizing the impact on Third Street, which is heavily trafficked and has light rail transportation. There will be two car share spaces

and 4 loading spaces. Approximately 150 secure, on-site bike parking spaces would be available, in four locations throughout the development.

- c. Provide open space usable by the occupants and, where appropriate, by the general public, at least equal to the open spaces required by this Code;

The common and public open space provided at 5800 Third Street totals approximately 37,196 square feet. The project is required to have 10,078 square feet of open space. The requirements for residential private and common open space under the M-1 zoning is 36 square feet of private usable open space be provided for every dwelling unit in M-1 Districts. The open space requirement must be multiplied by 1.33 when provided as common open space. For senior housing, the amount of required open space is ½ the amount otherwise required.

- d. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of this Code for a district permitting a greater density, so that the PUD will not be substantially equivalent to a reclassification of property;

The PUD approved on September 1, 2005 (Motion No. 17089) permitted 343 units but no more than 417 units on all four development parcels. 137 units were constructed in Buildings No. 1 & No. 2, with 206 units remaining to be built. The original PUD was for one lot, thus allowing each 'quadrant' to have a flexible number of dwelling units. However, in 2007, the project site was subdivided into three separate lots – 041 (Building No. 3), 042 (Building No. 4), and 043 (Buildings No. 1 & 2). Therefore, in order for Buildings No. 3 & 4 to be constructed with the increased number of dwelling units proposed, the dwelling unit count must be reallocated to all three parcels. The total number of dwelling units in this revised PUD will be 408, and the maximum density would remain 417 units.

- e. In R Districts, include commercial uses only to the extent that such uses are necessary to serve residents of the immediate vicinity, subject to the limitations for NC-1 (Neighborhood Commercial Cluster) districts under the Code;

This criterion is not applicable for 5800 Third Street, which is located within an M-1 Zoning District.

- f. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code, unless such exception is explicitly authorized by the terms of this Code. In the absence of such an explicit authorization, exceptions from the provisions of this Code with respect to height shall be confined to minor deviations from the provisions for measurement of height in Sections 260 and 261 of this Code, and no such deviation shall depart from the purposes or intent of those sections;

5800 Third Street is within the 65 foot height limit and is not seeking any exceptions or alterations under this application.

- g. In NC Districts, be limited in gross floor area to that allowed under the Floor Area Ratio limit permitted for the district in Section 124 and Article 7 of this Code.

This criterion is not applicable for 5800 Third Street, which is located within an M-1 Zoning District.

- h. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code.

This criterion is not applicable for 5800 Third Street, which is located within an M-1 Zoning District.

11. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

Bayview Hunters Point Area Plan

OBJECTIVE 2 Improve use of land on Third Street by creating compact commercial areas, establishing nodes for complementary uses, and restricting unhealthy uses.

Policy 2.1 Improve the physical and social character of Third Street to make it a more livable environment.

Policy 2.4 Encourage new mixed-use projects in defined nodes along Third Street to strengthen the corridor as the commercial spine of the neighborhood.

5800 Third Street meets the objective of this Plan by creating a large mixed use development along Third Street. This development replaced an underused and vacant industrial building with a series of interconnected residential 'quadrants'. The PUD will create a more livable environment in this portion of the Bayview neighborhood, and improve the social, residential, and commercial character of the area.

OBJECTIVE 6 Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.

Policy 6.1 Encourage development of new affordable ownership units, appropriately designed and located and especially targeted for existing Bayview Hunters Point residents.

Policy 7.2 Encourage complementary development adjacent to the Third Street core commercial area.

5800 Third Street currently contains 17 below market rate units. The revised PUD will provide 121 units that are specifically designed for senior citizens and will be dedicated to low-income people. There will be 38 units constructed at an off-site location that will be at 50 percent of the median income. In addition to the affordable units, 5800 Third Street will provide 270 market-rate units to people in this portion of the Bayview neighborhood.

OBJECTIVE 14 Assure adequate numbers, types, and locations of community facilities and services to meet the needs of the local community.

5800 Third Street will provide a 14,967 square foot senior community center which will be available to the residents of the building as well as to senior citizens in the community. This facility will help meet the needs of the local community by providing social and educational services.

OBJECTIVE 15 Combine social revitalization with physical and economic revitalization efforts.

Policy 15.2 Shape new housing growth to include adequate provision of physical facilities for the social and health needs of senior citizens.

5800 Third Street contains a 121 unit building that is designed and dedicated solely for the use of senior citizens. This building will meet all of the requirements of Planning Code Section 102.6.1 as well as relevant local, state, and federal Codes.

Housing Element

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 1.10: Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

5800 Third Street provides a range of housing types, sizes, as well as affordable low-income senior housing in an area where there is low supply and where these households can easily rely on public transportation, walking, and bicycling for many of their daily trips.

OBJECTIVE 4: Foster a housing stock that meets the needs of all residents across lifestyles.

Policy 4.2 Provide a range of housing options for residents with special needs for housing support and services.

Policy 4.3 Create housing for people with disabilities and aging adults by including universal design principles in new and rehabilitated housing units.

Policy 4.5 Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

5800 Third Street provides housing for senior citizens and is designed to meet Planning Code Section 102.6.1, which includes universal design principles in the senior units. These units are proposed to be designated for low-income residents and will remain as such for the life of the building.

OBJECTIVE 11: Support and respect the diverse and distinct character of San Francisco's neighborhoods.

- Policy 11.1: Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.
- Policy 11.3: Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.
- Policy 11.5: Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.
- Policy 11.6: Foster a sense of community through architectural design, using features that promote community interaction.

5800 Third Street is well designed, respects the neighborhood character through building height and design, and does not substantially or adversely affect the character of the existing Bayview neighborhood. The project fosters community interaction by including retail uses, publicly accessible open space, and a senior community center.

OBJECTIVE 12: Balance housing growth with adequate infrastructure that serves the City's growing population.

- Policy 12.2: Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.
- Policy 12.3: Ensure new housing is sustainably supported by the City's public infrastructure systems.

5800 Third Street is sited in an area that currently provides adequate access to infrastructure. As part of the development, new public open space, street improvements on Carroll Avenue, a senior community center, senior services, and community outdoor areas will be constructed. These elements will contribute to the quality of life of the residents on site and the surrounding community.

Transportation Element

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.

5800 Third Street has been designed to promote transit-first policies, in particular, public transportation, bicycling, and walking. The existing rail spur that runs along Carroll Avenue has been incorporated into the landscape and streetscape plans, and its impacts will be minimized. Pedestrian safety elements such as bulb-outs, speed tables, wide sidewalks, and large crosswalks are included in the project. Vehicular entrances to parking garages would be accessed via the Private Drive with minimal curb cuts.

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 project's location furthers the City's Transit First policy. There are numerous MUNI lines within easy walking distance of the project. The Third Street light rail runs along the front of the project site, and there are several bus lines nearby. Due to the frequency and number of MUNI routes near the site, there should be a high rate of ridership.

Commerce and Industry Element

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 undesirable consequences which cannot be mitigated.

5800 Third Street provides substantial net benefits by utilizing currently vacant and isolated parcels in this portion of Bayview. It provides approximately 408 dwelling units in four 'quadrants'. There will be approximately 37,196 square feet of open space, including the recreation uses provided on Buildings No. 3 & 4. There will be a 14,967 square foot senior community center for social and cultural use by the neighborhood residents and 21,000 square feet of neighborhood serving retail uses.

Urban Design Element

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 1.2: Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.
- Policy 1.3 Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

The new buildings at 5800 Third Street are designed to complement the architectural character of the existing buildings already constructed as a part of the PUD while emphasizing the unique character of the population and history of the Bayview neighborhood. Building heights, materials, massing and bulk, have all been designed to be compatible with the existing built environment but also are of a contemporary design that brings a new architectural vocabulary to the neighborhood.

Recreation and Open Space Element

OBJECTIVE 4 Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood.

Policy 4.5 Require private usable outdoor open space in new residential development.

5800 will provide approximately 37,196 square feet of open space to serve project residents that exceeds the requirements of the Planning Code. 5800 Third Street has provided a streetscape plan which provides streetscape improvements on Carroll Avenue and the Private Road. Lots 002 & 005 in Block 5415 are being incorporated into the PUD and will be used as a part of the Better Streets Program. Improvements include regrading Carroll Avenue and extending it up towards the Caltrain track/right-of-way. There will be a curved garden space on the north side of the Avenue, which will have landscaping and street trees. A short "U" shaped driveway to Building No. 4, Lot 042, will be created (the "Drop Off Plaza"), with three parallel parking spaces. There will be a variety of landscaping and trees installed on the northern portion of Building No. 4, including "The Grove". In addition to the improvements on Carroll Avenue, the proposal also calls for the creation of additional bulb-outs at the north of the Private Road, the installation of several speed tables, and additional landscaping and buffers. The railroad spur and tracks, along with a 25 foot wide easement, will remain and will not have any streetscape improvements that may impede its use or services.

The modified site plan contains 24,061 square feet of recreational open space on Buildings No. 3 & 4. The type of open space varies from interior courtyards, rooftop gardens and decks, communal food gardens, and outdoor activity space including dining and recreation spaces. The ground floor loft-style dwelling units on Building No. 3 (Lot 041) have front yards for their use, and there is a 25 foot wide open space 'buffer' along the western property line which serves as a fire access easement and will be landscaped. Further, the proposal calls for the incorporation of Lots 002 & 005 of Block 5415 at the north of the site, to provide additional open space in the form of garden and landscaped areas. Buildings No. 1 & 2 are providing open space in the form of interior courtyards and a shared mews between the buildings.

12. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

5800 Third Street currently has 21,000 square feet of retail and commercial space on Third Street. There is a grocery store and a restaurant on site with the remainder of the space vacant. These businesses will continue to provide opportunities for on-site resident employment as well as employment opportunities for residents in the surrounding neighborhoods.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

5800 Third Street originally contained an industrial warehouse bottling plant for the Coca-Cola Company. This structure was demolished as a part of the original PUD. Half of the site has been developed; the remaining two parcels (Lots 041 & 042) have been vacant for several years. The site never provided housing.

The project proposes to revitalize the site and the neighborhood in the following ways. First, the project will provide approximately 408 dwelling units, a 14,967 square foot senior community center, and 21,000 square feet of retail and commercial uses, all serving the residents on site and throughout the community. In addition, the project provides approximately 37,196 square feet of open space. The project further enhances the site accessibility and circulation by creating a mews between Buildings Nos. 3 & 4.

Lastly, the site includes up to 21,000 square feet of ground floor neighborhood serving retail space, and 14,967 square feet of community center space. This active, pedestrian oriented space will enhance the livability and activities of the project site itself, being a destination for both residents of the project and the surrounding neighborhoods.

- C. That the City's supply of affordable housing be preserved and enhanced.

There are currently 17 below market units constructed in Buildings No. 1 & 2 as a part of the original 2005 PUD. The revised plan calls for 121 affordable dwelling units for low-income seniors at Building No. 4 (lot 042). There will be 38 low income units constructed at an off-site project located at 833 Jamestown Avenue, located within a mile of the subject site, and which is more than the 23 required if they provided these units on-site. In sum, the project at 5800 Third Street is increasing the supply of affordable housing in the neighborhood.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

Neither existing on-street parking supply nor MUNI will be detrimentally affected by the project. The project provides adequate on-site parking for residents via four underground parking garages, thus minimizing competition for on-street parking resources in the surrounding neighborhood. 2 car share parking spaces are provided, which will decrease the need for residents to own their own vehicles. The project also proposes up to 150 Class I bicycle spaces in at least four different locations throughout the site.

The project's location furthers the City's Transit First policy. The Third Street light rail runs along the eastern side of the site, and there are numerous MUNI lines within easy walking distance of the project. Due to the frequency and number of MUNI routes near the site, the site should have a high rate of ridership. Even with a high rate of ridership, there would be no significant effect on MUNI operations.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

5800 Third Street is located in a portion of the Bayview neighborhood that is transitioning from industrial to mixed-use in character. Despite the construction of 408 dwelling units, the site is

surrounded by light industrial uses to the south, north, and east. There are several area plans that have been carefully crafted to preserve industrial uses while enabling other uses to locate here. There will continue to be industrial uses and businesses in this portion of San Francisco.

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

There are no designated landmarks or historic buildings on the Project site.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

A shadow analysis conducted by the Department shows that there will be no shadows cast upon the Martin Luther King Pool and Bayview & K.C. Jones Playground.

13. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
14. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2012.0045CE** for modification of a project approved under Case No. 2003.0672CEK and Motion 17089, subject to the following conditions attached hereto as "EXHIBIT A" including all applicable mitigation measures of the Final Mitigated Negative Declaration ("FMND"), in general conformance with plans on file, dated September 19, 2012, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission has reviewed and considered the FMND and the record as a whole and finds that there is no substantial evidence that the Project will have a significant effect on the environment with the adoption of the mitigation measures contained in the FMRP to avoid potentially significant environmental effects associated with the Project, and hereby adopts the FMND.

The Planning Commission hereby adopts the FMND and the Mitigation Monitoring Report Program ("MMRP") attached hereto as "EXHIBIT C" and incorporated herein as part of this Resolution/Motion by this reference thereto. All required mitigation measures identified in the FMND are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 18730. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on October 25, 2012.

Linda D. Avery
Commission Secretary

AYES: Fong, Wu, Moore, Sugaya, Antonini, Hillis

NAYS:

ABSENT: Borden

ADOPTED: October 25, 2012

Exhibit A

AUTHORIZATION

This is for a Conditional Use Authorization to allow for modifications to the 5800 Third Street Planned Unit Development approved pursuant to Case No. 2003.0672CEK, Motion No. 17089, on September 1, 2005, to modify the original project's site plan and overall design to Buildings No. 3 and No. 4 as originally approved, to construct a five-story residential building with 150 market-rate units and 129 off-street parking spaces (now Building No. 3, Lot 041), and construct a five-story residential building with 121 affordable units specifically designed for senior citizens, a 14,967 square foot senior community center, and 54 off-street parking spaces (now Building No. 4, Lot 042), provide approximately 24,061 square feet of open space including a shared mews between the two buildings, incorporate Planning Code requirements that have been adopted since the original Conditional Use Authorization/Planned Unit Development entitlement was approved in September 2005, and exceptions for three Code Sections: 1) the required rear yard, per Planning Code Section 134, for a rear yard that is provided throughout the development rather than in one contiguous area parallel to the front property line; 2) dwelling unit exposure, per Planning Code Section 140, for 34 dwelling units that do not meet the exposure requirements (32 units at Building No. 3, parcel 041; 2 units at Building No. 4, parcel 042); and 3) density requirements, per Planning Code Section 215, to allow for the allocation of density to Lots 041 and 042 to increase the number of units on those lots for a total of 408 units on the site, and to incorporate Lots 002 & 005 in Block 5415, for streetscape and pedestrian improvements along the northern portion of the site and Carroll Avenue for the property known as "5800 Third Street", located in an M-1 (Manufacturing, General) Zoning District, and within a 65-J Height and Bulk District and the Bayview-Hunters Point Redevelopment Plan – Area B, in general conformance with plans, dated September 19, 2012, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0045CE and subject to conditions of approval reviewed and approved by the Commission on October 25, 2012 under Motion No 18730. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on October 25, 2012 under Motion No 18730.

All five lots that are subject to this Planned Unit Development – 041 (Building No. 3), 042 (Building No. 4), and 043 (Buildings No. 1 & 2), in Block 5431, and Lot 002 & 005 in Block 5415 must have separate Notices recorded on the property that must reference the Planned Unit Development and incorporate all conditions contained in this Motion. This Motion may not be severed to accommodate individual lots.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 18730 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes to the Planned Unit Development and modifications of conditions shall require Planning Commission approval of a new Conditional Use Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity and Expiration. The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Conditional Use authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within three (3) years of the date of the Motion approving the Project. Once a site or building permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Mitigation Measures. Mitigation measures described in the FMND attached as Exhibit C of Motion 18730 are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN & CODE COMPLIANCE

Final Materials. The Project Sponsor(s) shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Senior Housing. Building No. 4, Lot 042 in Block 5431, is a qualified senior housing development as defined in Planning Code Section 102.6.1. The project will meet the requirements of related city, state, and federal Codes, and must have specific design elements. The senior citizen housing development must be occupied by senior citizens and shall be limited to the occupancy of senior citizens or other qualifying residents under Civil Code Section 51.3 for the actual lifetime of the building, regardless, of whether the units will be owner-occupied or renter-occupied. If at any time the project fails to comply and qualify as a senior housing development then all Planning Code provisions apply and must be met.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Lighting Plan. The Project Sponsor(s) shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application for each building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Rooftop Mechanical Equipment. Pursuant to Planning Code 141, each Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application for each building. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Streetscape Plan. Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and programming of the Streetscape Plan so that the plan generally meets the standards of the Better Streets Plan and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy for the adjacent buildings.

The revised PUD at 5800 Third Street includes streetscape improvements on Carroll Avenue and the Private Road. Lots 002 & 005 in Block 5415 are being incorporated into the PUD and will be used as part of Carroll Avenue and for access to Building No. 4 (Lot 042) and landscaping. Improvements on Carroll Avenue include regrading and paving, developing sidewalks and park areas, and installing street trees, planting beds, and light fixtures, bulb outs, speed tables, and cross walks. The sidewalk widths shall be 13 feet wide on the north side of Carroll Avenue and 6 feet wide on the southern side of Carroll Avenue. There will be a minimum of 39 trees installed along Carroll Avenue and the northern park. There will be no more than 14 street parking spaces which will be parallel to the sidewalk. The railroad spur and tracks along with a 25 foot wide easement will remain and will not have any streetscape improvements that may impede its use or services.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Street Trees. Pursuant to Planning Code Section 138.1, the Project Sponsor(s) shall submit a site plan to the Planning Department prior to Planning approval of the building permit application for each building indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions, such as street lights, do not permit or public safety could be improved. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements may be modified or waived by the Zoning Administrator to the extent necessary.

Building No. 3 (Lot 041) is required to have 10 street trees along the frontage of the Private Drive. Building No. 4 (Lot 042) is required to have 9 street trees along Carroll Avenue and 10 on the Private Drive.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Landscaping. Pursuant to Planning Code Section 132, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application for each building indicating that 50% of the front setback areas shall be surfaced in permeable materials and further, that 20% of the front setback areas shall be landscaped with approved plant species. The size and specie of plant materials and the nature of the permeable surface shall be as approved by the Department of Public Works.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Landscaping, Screening of Parking and Vehicular Use Areas. Pursuant to Planning Code Section 142, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating the screening of parking and vehicle use areas not within a

building. The design and location of the screening and design of any fencing shall be as approved by the Planning Department. The size and species of plant materials shall be as approved by the Department of Public Works.

Building No. 4, Lot 042, will have three parking spaces located at the front entry drive. These spaces will be screened from Carroll Avenue by the installation of street trees and other plantings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Public Access to the Private Drive. There shall be no gates, chains, signage, medallions or similar feature(s) serving to regulate pedestrians or bicycles at the entrances, exits or thoroughfares of Private Drive at any time. Both car share parking spaces will be located on this Private Drive and must be accessible to the general public at all times. If at any time the Private Drive is made unavailable to the general public, these Code-required car share spaces must be relocated to another place on the site that is generally accessible to the public.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org.

Showers and Clothes Lockers. Pursuant to Planning Code Section 155.3, the Project shall provide no fewer than one shower and two clothes lockers.

Building No. 4, Lot 042 must provide a minimum of 1 shower and 2 clothes locker as a part of the senior community center. There are no requirements for showers and lockers for Building No. 3, Lot 041.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.

Garbage, composting and recycling storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org.

PARKING AND TRAFFIC

Parking. Pursuant to Planning Code Section 151.1, the Project shall provide no more than one space for each two dwelling units, and any spaces above this amount are permitted under Section 223(p). There will be a total of up to 372 off-street parking spaces on site, with 189 spaces at Buildings No. 1 & 2 (Lot 043), 129 spaces at Building No. 3 (Lot 041), and 54 spaces at Building No. 4 (Lot 042), with seven of the off-street spaced dedicated solely for the senior community center employees and visitors.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Unbundled Parking. All off-street parking spaces at Buildings No. 3 & 4 (Lots 041 & 042) shall be made available to all Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

The seven off-street parking spaces at Building No.4, Lot 042, which are dedicated for the senior community center are not subject to this requirement. These spaces must be grouped together and be accessible to the employees and users of the community center.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Off-street Loading. Pursuant to Planning Code Section 152, the Project will provide a minimum 5 off-street loading spaces. Building No. 3, Lot 041, will have 1 loading space along the Private Drive directly in front of the building. Building No. 4, Lot 042 will have 1 loading space at the north of the site off Carroll Avenue. Buildings No. 1 & 2, Lot 043, has 3 loading spaces which are located to the south of Building No. 2. These spaces will be clearly marked and the curb will have necessary markings to indicate that these spaces are to be used solely for loading. If at any time these locations become unavailable or if they cannot remain dedicated to loading then they will be moved to another location on the site.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Car Share. Pursuant to Planning Code Section 166, no fewer than two car share spaces shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers.

Buildings No. 3, Lot 041, and Building No. 4, Lot 042 are required to provide one car share space each. The proposed location of these two spaces are along the Private Drive directly in front of Building No. 3 (Lot 041). These spaces will be clearly marked and the curb will have necessary markings to indicate that these spaces are to be used solely for car share. If at any time this location becomes unavailable to the general public or if they cannot remain dedicated to car share then they will be moved to another location on the site that is publically accessible.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Bicycle Parking. Pursuant to Planning Code Sections 155.5, the Project shall provide no fewer than 150 bicycle parking spaces.

Building No. 3, Lot 041 must provide a minimum of 50 Class 1 bicycle spaces. There are no requirements for bicycle parking for Building No. 4, Lot 042, as long as it remains a senior citizen development as defined by Planning Code Section 102.6.1.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sfplanning.org

Managing Traffic During Construction. The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sfplanning.org

PROVISIONS

First Source Hiring. The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

Carroll Avenue. The project sponsor shall improve the remainder of Carroll Avenue as described above including all related infrastructure and streetscape improvements. The project sponsor shall provide maintenance services for those portions that are incorporated into the site for the life of the Project and shall assume all liability with respect thereto.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sfplanning.org

Transit Impact Development Fee. Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsors of Building No. 3 & 4 shall pay the Transit Impact Development Fee (TIDF) to those portions of the projects that apply, as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, each Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sfplanning.org

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sfplanning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Lighting. All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

INCLUSIONARY HOUSING

1. Requirement.

- a) Buildings No. 1 & 2, Lot 043. There are 17 on-site below-market-rate units which complies with the Affordable Housing Program as approved under Case No. 2003.0672CEK, and Motion No. 17089. These units are not proposed to be removed and will meet all conditions applied under Motion No. 17089.
- b) Building No. 3, Lot 041. Pursuant to Planning Code Section 415.6, the Project is required to provide 15% of the proposed dwelling units as affordable to qualifying households. The Project contains 150 units; therefore, 23 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 23 affordable units on-site. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing ("MOH").

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

Unit Mix. The Project contains 46 studios, 64 one-bedroom, and 40 two-bedroom units; therefore, the required affordable unit mix is 7 studios, 10 one-bedroom, and 6 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

Unit Location. The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

Phasing. If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than fifteen percent (15%) of the each phase's total number of dwelling units as on-site affordable units.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

- c) Building No. 4, Lot 042. The Project Sponsor is proposing to provide 100 percent of the units as affordable for senior citizens and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415.' The Mayor's Office of Housing confirms, through a letter on file, that the project meets this requirement. In this case, the requirements of the Inclusionary Housing Ordinance, Planning Code Section 415 would not apply to that portion of the project relating to Building No. 4 for so long as all of the conditions set forth in Planning Code Section 415.3(c)(4) are satisfied. If Building No. 4 fails to provide rents that are controlled by any government agency at any time, Building No. 4 shall not be deemed to satisfy the requirements of the Planning Code Section 415.3(c)(4) exemption, and must pay the Affordable Housing Fee with interest, if applicable or provide the required amount of units on-

site. In this case, the requirements of the Inclusionary Housing Ordinance, Planning Code Section 415 would not apply to this portion of the Project for so long as all of the conditions set forth in Planning Code Section 415.3(c)(4) are satisfied.

If the Building No. 4 fails to provide rents that are controlled by any government agency, Building No. 4 will not qualify for the Planning Code Section 415.3(c)(4) exemption from the Inclusionary Housing Program and must pay the Affordable Housing Fee with interest, if applicable, and meet the requirements of conditions 2 and 3. The requirements of condition 2 and 3 shall not apply for so long as all of the conditions set forth in Planning Code Section 415.3(c)(4) are satisfied. The Project Sponsor must record a Notice of Special Restrictions against the Property which provides that the Project no longer qualifies as a Project meeting the requirements of Planning Code Section 415.3(c)(4), the Project will either: (i) pay the Affordable Housing Fee plus interest from the date the project received its first construction document for the Project if no affordable units were ever provided or, if affordable units were provided and occupied, then the Affordable Housing Fee with no interest is due on the date the units were no longer occupied by qualifying households. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.

2. **Affordable Housing Fee Requirement.** If any of the Project Sponsors fail to meet the requirements of Planning Code Section 415.3(c)(4) at any time, pursuant to Planning Code 415.5, the Project Sponsor(s) of that portion of the Project must pay an Affordable Housing Fee at a rate equivalent to the applicable percentage of the number of units in an off-site project needed to satisfy the Inclusionary Affordable Housing Program Requirement for the principal project. The applicable percentage for this project is twenty percent (20%).

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

3. **Other Conditions.** If any of the Project Sponsor fail to meet the requirements of Planning Code Section 415.3(c)(4) at any time, that portion(s) of the Project is immediately subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and the terms of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the Mayor's Office of Housing ("MOH") at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at: <http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>. As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale or rent.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

- a) The Project Sponsor(s) must pay the Fee in full sum to the Development Fee Collection Unit at the DBI for use by MOH prior to the issuance of the first construction document, with an option for the Project Sponsor to defer a portion of the payment prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Citywide Inclusionary Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building Code.
- b) Prior to the issuance of the first construction permit by the DBI for the Project, each Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of this approval. Each Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.
- c) If any Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for that portion of the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Sections 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all other remedies at law.

AUG 26 2005

5800 THIRD STREET RESIDENTIAL AND COMMERCIAL MIXED-USE PROJECT, MITIGATION, MONITORING AND REPORTING PLAN								OFFICE OF ENVIRONMENTAL REVIEW
MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	IMPLEMENTATION RESPONSIBILITY	MITIGATION SCHEDULE	MONITORING		REPORTING		NOTES	
			RESPONSIBILITY	ACTIONS	RESPONSIBILITY	ACTIONS	SIGN-OFF STATUS/COMPLETION DATE	
CONSTRUCTION AIR QUALITY								
The Project Sponsor shall require the contractor(s) to spray the site with water during demolition, excavation, and construction activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soils, sand or other such material; and sweep surrounding streets during demolition, excavation, and construction at least once per day to reduce particulate emissions.	Project Sponsor/ Construction Manager	During demolition, excavation and construction	DBI/ Construction Manager	- Maintain onsite observation as warranted, review daily field reports and inspect construction	Construction Manager	Prepare daily field reports and monthly compliance reports for the Public Works Department	Person Reporting _____ Documentation Received (DATE) _____ DPW Sign-off _____ SF Planning Dept. (SFPD) Sign-off _____	
Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the Project Sponsor shall require the contractor(s) to obtain reclaimed water from the Clean Water Program for this purpose. The Project Sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and to implement specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.	Project Sponsor/ Construction Manager	During demolition, excavation and construction	DBI/ Construction Manager	- Maintain onsite observation as warranted, review daily field reports and inspect construction	Construction Manager	Prepare daily field reports and monthly compliance reports for the Public Works Department	Person Reporting _____ Documentation Received (DATE) _____ DPW Sign-off _____ SF Planning Dept. (SFPD) Sign-off _____	

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5800 THIRD STREET RESIDENTIAL AND COMMERCIAL MIXED-USE PROJECT MITIGATION, MONITORING AND REPORTING PLAN							
MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	IMPLEMENTATION RESPONSIBILITY	MITIGATION SCHEDULE	MONITORING		REPORTING		NOTES / SIGN-OFF STATUS / COMPLETION DATE
			RESPONSIBILITY	ACTIONS	RESPONSIBILITY	ACTIONS	
HAZARDOUS MATERIALS							
<p>a. A Site Mitigation Plan shall be developed to address contaminated soil and/or groundwater, USTs/ASTs or other hazardous materials identified during the Phase II investigation or subsequent demolition activities.</p> <p>Since the site has a railroad track and it is not clear whether the subsurface is comprised of fill material, soil sampling that includes pesticides, metals, volatile organic compounds (VOCs) and semi-volatile organic compounds (SVOCs), asbestos and petroleum hydrocarbons need to be conducted. Sampling should occur at depths of proposed excavations for foundations, utilities elevators, etc.</p> <p>If deemed necessary, all impacted materials shall be mitigated prior to construction. Soils with elevated lead concentrations shall be disposed of off site in accordance with California hazardous waste disposal regulations (CCR Title 26) or shall be managed in place with approval of the California Department of Toxic Substances Control (DTSC) or the Regional Water Quality Control Board (RWQCB).</p> <p>The Phase II assessment requires the preparation of a Site Safety and Health Plan because contaminated soils and/or groundwater may be encountered; in addition to measures that protect on-site workers, the plan shall include measures to minimize public exposure to contaminated soils. Such measures shall include dust control, appropriate site security, restriction of public access, and posting of warning signs, and shall apply from the time of surface disruption through the completion of earthwork construction.</p>	Project Sponsor	Prior to undertaking any soil disturbing activities within the project site	Project Sponsor	Prepare Site Mitigation Plan	Project Sponsor	Submit the Site Mitigation Plan to San Francisco Department of Public Health, Environmental Services - Hazardous Waste Unit (SFDPH, EHS-HWU)	Person Reporting _____ Documentation Received (DATE) _____ DPH Sign-off _____ SF Planning Dept. (SFPD) Sign-off _____
<p>b. The UST and ASTs at the project site shall be further evaluated using geophysical techniques and subsurface exploration, as appropriate. The UST and ASTs shall be removed from the property and disposed of in accordance with applicable regulations or continue to be permitted and monitored as required by local and state laws. Soil beneath the UST and ASTs shall be visually inspected for soil and/or groundwater contamination. If contamination is detected, the impacted materials shall be tracked and managed throughout the construction phase. If deemed necessary, impacted materials shall be mitigated prior to construction.</p>	Project Sponsor	Prior to undertaking any soil disturbing activities within the project site	Project Sponsor with assistance of geotechnical specialist	- Identify and remove USTs - Inspect soil beneath USTs for contamination	Project Sponsor	Submit findings to San Francisco Department of Public Health, Environmental Services - Hazardous Waste Unit (SFDPH, EHS-HWU)	Person Reporting _____ Documentation Received (DATE) _____ DPH Sign-off _____ SF Planning Dept. (SFPD) Sign-off _____
<p>c. All waste oil and anti-freeze from the existing bus maintenance service performed on the site shall be disposed off-site in accordance with applicable regulations.</p>	Project Sponsor	Prior to undertaking any soil disturbing activities within the project site	Project Sponsor with assistance of professional hazardous waste disposal specialist	-Identify and remove all waste oil and anti-freeze from bus maintenance area	Project Sponsor	Submit findings to San Francisco Department of Public Health, Environmental Services - Hazardous Waste Unit (SFDPH, EHS-HWU)	Person Reporting _____ Documentation Received (DATE) _____ DPH Sign-off _____ SF Planning Dept. (SFPD) Sign-off _____

5800 THIRD STREET RESIDENTIAL AND COMMERCIAL MIXED-USE PROJECT MITIGATION, MONITORING AND REPORTING PLAN

MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	IMPLEMENTATION RESPONSIBILITY	MITIGATION SCHEDULE	MONITORING		REPORTING		NOTES/ SIGN-OFF STATUS/ COMPLETION DATE
			RESPONSIBILITY	ACTIONS	RESPONSIBILITY	ACTIONS	
d. All reports and plans prepared in accordance with this mitigation measure shall be provided to the San Francisco Department of Public Health and any other agencies identified by the Department of Public Health. When all hazardous materials have been removed from existing buildings, and soil and groundwater analysis and other activities have been completed, as appropriate, the Project Sponsor shall submit to the San Francisco Planning Department and the San Francisco Department of Public Health (and any other agencies identified by the Department of Public Health) a report stating that the mitigation measure has been implemented. The report shall describe the steps taken to comply with the mitigation measure and include all verifying documentation. The report shall be certified by a Registered Environmental Assessor or a similarly qualified individual who states that all necessary mitigation measures have been implemented.	Project Sponsor	After mitigation measures have been implemented	Project Sponsor	- Prepare report stating that mitigation measures have been implemented	Project Sponsor	Submit report to San Francisco Department of Public Health, Environmental Services - Hazardous Waste Unit (SFDPH, EHS-HWU) Report must be certified by a qualified Environmental Assessor or similarly qualified individual.	Person Reporting Documentation Received (DATE) DPH Sign-off SF Planning Dept. (SFPD) Sign-off
ARCHEOLOGICAL RESOURCES							
The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in <i>CEQA Guidelines</i> Section 15064.5(a)(c). The Project Sponsor shall distribute the Planning Department archeological resource ALERT sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the ALERT sheet is circulated to all field personnel, including, machine operators, field crew, pile drivers, and supervisory personnel. The Project Sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the ALERT Sheet. Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project head foreman and/or Project Sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.	Project Sponsor	Prior to undertaking any soil disturbing activities within the project site	Head Foreman	- Circulate the ALERT SHEET to all field personnel	Project Sponsor	- Submit a signed affidavit to the Environmental Review Officer (ERO) confirming that all field personnel have received copies of the ALERT SHEET - In the event of a discovery immediately notify ERO	Person Reporting Documentation Received (DATE) SF Planning Dept. (SFPD) Sign-off

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5800 THIRD STREET RESIDENTIAL AND COMMERCIAL MIXED-USE PROJECT, MITIGATION, MONITORING AND REPORTING PLAN							
MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL	IMPLEMENTATION RESPONSIBILITY	MITIGATION SCHEDULE	MONITORING		REPORTING		NOTES SIGN-OFF STATUS COMPLETION DATE
			RESPONSIBILITY	ACTIONS	RESPONSIBILITY	ACTIONS	
<p>If the ERO determines that an archeological resource may be present within the project site, the Project Sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the Project Sponsor.</p> <p>Measures might include: preservation in situ of the archeological resource; an archaeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the Project Sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.</p>	Project Sponsor	Prior to any physical removal of buildings or site features	Archaeological Consultant	- Undertake archeological monitoring program - Prepare a written report of findings	Project Sponsor	Submit written report of findings to ERO	Person Reporting _____ Documentation Received (DATE) _____ SF Planning Dept. (SFPD) Sign-off _____
<p>The project archeological consultant shall submit a final archeological resources report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>	Project Sponsor	When and if resources are found to be significant	Archaeological Consultant	- Prepare a Draft Final Archaeological Resources Report (FARR)	Project Sponsor	- Submit FARR to ERO for Approval - Upon approval, distribute the FARR	Person Reporting _____ Documentation Received (DATE) _____ SF Planning Dept. (SFPD) Sign-off _____

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Carroll Avenue Senior Homes L.P., a California limited partnership	
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <p>Carroll Avenue Senior Homes, L.P. is a California limited partnership whose Administrative General Partner is Carroll Avenue Senior Homes MBS GP, Inc., a Missouri corporation whose Sole Shareholder (100% owner) is MBA Properties, Inc., a Delaware corporation. (A list of the officers and directors of the Administrative General Partner is attached.)</p> <p>The Managing General Partner of Carroll Avenue Senior Homes, L.P. is BHPMSS Bayview Senior LLC, a California limited liability company which is wholly owned (100% owned) by Bayview Hunters Point Multipurpose Senior Services, Inc., a California non-profit public benefit corporation. (A list of the officers and directors of the Managing General Partner is attached.)</p> <p>The general contractor joint venture to perform the construction work is Baines-Nibbi JV. There are no political committees sponsored or controlled by the contractor.</p>	
Contractor address: 720 Olive Street, Suite 2500, St. Louis, MO 63101	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: The annual rent amount for this site totals \$581,000, of which: Base rent = \$15,000 Residual rent = \$566,000 (only paid if cash flow is available)
Describe the nature of the contract that was approved: 55-year long-term ground lease with one 44-year option to extend with Carroll Avenue Senior Homes, L.P., to develop, manage and operate 120 affordable senior rental units (plus one managers unit), with 20% of units set-aside for formerly chronically homeless individuals, and a senior center.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information *(Please print clearly.)*

Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

CORPORATE OFFICERS AND DIRECTORS

Carroll Avenue Senior Homes MBS GP, Inc.

<u>Office Title</u>	<u>Officer Name</u>	<u>Elected</u>
Director	Hillary B. Zimmerman	12/12/2012
	Kevin J. McCormack	12/12/2012
	Vincent R. Bennett	12/12/2012
President	Kevin J. McCormack	12/12/2012 (CEO)
Secretary	Hillary B. Zimmerman	12/12/2012
Treasurer	Kim Hartmann	12/12/2012 (CFO)
Vice President	Daniel Falcon, Jr.	12/12/2012
	Hillary B. Zimmerman	12/12/2012
	Kim Hartmann	12/12/2012
	Michael C. Duffy	12/12/2012
	Vincent R. Bennett	12/12/2012 (COO)

Bayview Hunters Point Multipurpose Senior Services, Inc. (BHPMSS)
Board of Directors

- Dr. Arelious Walker, Board Chair
- Dr. Ceasar Churchwell,
- Rev. Marvin Hall
- Carlton McAllister
- Mrs. Ollie Mixon
- Linda Richardson

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment. *BOS committee of The whole*
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Cohen

Subject:

Ground lease - 1751 Canoll Ave. - Bayview senior Housing

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor:

Melvin Carr

For Clerk's Use Only: