

File No. 120366

Committee Item No. 14

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date July 16, 2012

Board of Supervisors Meeting Date \_\_\_\_\_

### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input 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                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
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### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/>   | <input type="checkbox"/> | <u>Planning Director's Report, dtd 4/19/12</u>               |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Motion No. 18592</u>                  |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Resolution No. 18602</u>              |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Municipal Transportation Agency Resolution No. 12-064</u> |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Memorandum of Understanding</u>                           |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Development Agreement</u>                                 |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Notice of Public Hearing</u>                              |
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Completed by: Alisa Miller Date July 13, 2012

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

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

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

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

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

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

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

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

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

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

7 (d) CPMC's proposed LRDP describes an integrated, modern system of health care  
8 with medical facilities that would comply with State of California hospital seismic safety laws  
9 under a city-wide system of care. The LRDP proposes three state-of-the-art acute care  
10 hospitals, increasing the number of San Francisco's earthquake safe hospital beds, creating  
11 1,500 construction jobs (anticipating approximately \$2.5 billion in total development costs),  
12 retaining and growing over 6,000 existing CPMC jobs and improving health care access for  
13 San Franciscans.

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

19 (f) On March 30, 2012, CPMC filed an application with the City's  
20 Planning Department for approval of a development agreement relating to the Project Sites  
21 (the "Development Agreement") under Chapter 56. A copy of the Development Agreement is  
22 on file with the Clerk of the Board in File No. 120366. Developer also filed  
23 applications with the Department for certain activities described in Exhibit B to the  
24 Development Agreement (together with the Development Agreement, the "Project"). The  
25 Project includes the "Near Term Projects," which generally include the following: (i) on the St.

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

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

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

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

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

12 Section 2. CEQA Findings.

13 On April 26, 2012, by Motion No. 10500, the Planning Commission  
14 certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR")  
15 for the California Pacific Medical Center Long-Range Development Plan. A copy of Planning  
16 Commission Motion No. 10500 is on file with the Clerk of the Board of Supervisors in  
17 File No. 120357. Also on April 26, 2012, by Motion No. 10509, the  
18 Planning Commission adopted findings, including a statement of overriding considerations  
19 and a mitigation monitoring and reporting program, pursuant to the California Environmental  
20 Quality Act (California Public Resources Code Section 21000 et seq.) ("CEQA"). In  
21 accordance with the actions contemplated herein, this Board has reviewed the FEIR and  
22 adopts and incorporates by reference as though fully set forth herein the findings, including a  
23 statement of overriding considerations, pursuant to CEQA, adopted by the Planning  
24 Commission on April 26, 2012 in Motion No. 10509. Said Motion is  
25 on file with the Clerk of the Board of Supervisors in File No. 120357.

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

2 (a) The Board of Supervisors finds that the Development Agreement will serve the  
3 public necessity, convenience and general welfare for the reasons set forth in Planning  
4 Commission Resolution No. 10602 and incorporates those reasons herein by  
5 reference.

6 (b) The Board of Supervisors finds that the Development Agreement is in conformity  
7 with the General Plan, as proposed to be amended and when effective, and the eight priority  
8 policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission  
9 ~~Resolution~~ <sup>Motion</sup> No. 10592. The Board hereby adopts the findings set forth in Planning  
10 Commission ~~Resolution~~ <sup>Motion</sup> No. 10592 and incorporates those findings herein by reference.

11 Section 4. Development Agreement.

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

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

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

3 Section 5. Board Authorization and Appropriation.

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

11 Section 6. Chapter 56 Conformity.

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

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

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

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

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

1 and the Department of Public Works on file with the Clerk of the Board of Supervisors in File  
2 No. 1203466.

3 Section 7. Chapter 56 Waiver; Ratification.

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

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

14 Section 8. Effective and Operative Date.

15 This ordinance shall become effective 30 days from the date of passage. This  
16 Ordinance shall become operative only on (and no rights or duties are affected until) the later  
17 of (a) 30 days from the date of its passage, or (b) the date that Ordinance \_\_\_\_\_,  
18 Ordinance \_\_\_\_\_, and Ordinance \_\_\_\_\_ have become effective. Copies of said  
19 Ordinances are on file with the Clerk of the Board of Supervisors in File No. 120458

120459  
120460

20  
21 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

22  
23 By: \_\_\_\_\_

Charles Sullivan  
Deputy City Attorney

24  
25 Mayor Lee  
BOARD OF SUPERVISORS



## LEGISLATIVE DIGEST

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

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

### Existing Law

California Government Code section 65864 *et seq.* (the Development Agreement Statute") and San Francisco Administrative Code Chapter 56 ("Chapter 56") authorize the City to enter into a development agreement regarding the development of real property.

### Amendments to Current Law

This ordinance approves a development agreement between the City and County of San Francisco and Sutter West Bay Hospitals in accordance with the Development Agreement Statute and Chapter 56. The development agreement would provide CPMC the vested right to develop the projects sites as described in the development agreement. There are no proposed amendments to Chapter 56.

### Background Information

California Pacific Medical Center ("CPMC") currently operates four acute care medical centers in San Francisco: the California Campus, the Pacific Campus, the St. Luke's Campus, and the Davies Campus. As part of its program to meet state seismic readiness deadlines, CPMC's Long Range Development Plan ("LRDP") proposes a five campus system with three acute care hospitals – at Davies, St. Luke's, and a new hospital at the proposed Cathedral Hill Campus – providing approximately 903 licensed beds and three full-service emergency departments (one at each of the acute care hospitals). Under the LRDP, upon completion of the proposed Cathedral Hill Hospital, the acute care services at the California and Pacific campuses will be transferred to the Cathedral Hill Hospital. The Pacific Campus's existing acute care hospital would undergo renovation and reuse as an ambulatory care center.

CPMC would sell the California Campus after the transfer of acute care and non-acute care services to the Cathedral Hill and/or the Pacific Campus. More details regarding the LRDP, including plans and renderings, can be found on the Planning Department's website at [cpmc.sfplanning.org](http://cpmc.sfplanning.org).

Under the proposed development agreement, CPMC would have the right to construct several of the buildings contemplated under the LRDP: a hospital and medical office building at Cathedral Hill, a hospital and medical office building at St. Luke's, and a medical office building at Davies.

The proposed Cathedral Hill Hospital would be a 555-bed, 265 feet tall, 15-story, approximately 875,378 gross square foot acute care hospital with related hospital space, and 513 parking spaces on three underground levels. The proposed Cathedral Hill medical office building, across Van Ness Avenue, would be nine stories tall, approximately 130 feet in height, and will contain approximately 261,691 gross square feet of floor area and 542 off-street parking spaces on seven underground levels.

If CPMC builds the Cathedral Hill Hospital, it is required under the proposed development agreement to complete the new St. Luke's Hospital before completing the Cathedral Hill Hospital. The new St. Luke's Hospital would be a 80-bed, 99 feet tall, 5-story, approximately 146,410 gross square foot hospital, sited on an existing surface parking lot and over a portion of the to-be-vacated San Jose Avenue. After the new hospital is constructed, the existing hospital will be demolished and CPMC may construct a new 104,008 gross square foot, 5-story and approximately 100 foot tall medical office building, with approximately 220 underground parking spaces.

At the Davies Campus, CPMC would construct a new, four story, 46,000 gross square foot medical office building (aka "the Neuroscience Institute") at the southwest corner of Duboce Avenue and Noe Street.

By separate legislation, the Board is considering a number of actions in furtherance of projects located at the Cathedral Hill and St. Luke's Campuses, including the approval of amendments to the City's General Plan, Planning Code and Zoning Map.

The development agreement has a term of 10 years and provides for public benefits including, but not limited to, benefits related to housing, implementation of healthcare, the continued operation of St. Luke's hospital for a period of 20 years, workforce development, and funding for transportation and streetscape improvements.

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

April 25, 2012

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

Dear Commissioners:

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

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

Angela Calvillo, Clerk of the Board

Handwritten signature of Alisa Miller in cursive.

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

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

*CESA Clearance under Final Environmental  
Impact Report for California Pacific Medical  
Center Long Range Development Plan, Case 2015.0555E,  
Certified April 26, 2012. CPC M-1458B*

*[Signature]*  
4/30/12

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

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

**1. Introduction.**

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

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

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

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

**2. Background.**

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

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

### 3. Development Agreement Negotiations.

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

- 1) October 26, 2010. Meeting to discuss general term of the Development Agreement. Attendees include Ken Rich (Office of Economic and Workforce Development (OEWD)), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC). No agreements reached.
- 2) January 24, 2011. Meeting to discuss general term of the Development Agreement. Attendees include, Jennifer Matz (OEWD), Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 3) February 23, 2011. Meeting to discuss general terms of the Development Agreement. Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 4) March 17, 2011. Meeting to discuss general terms of the Development Agreement. Attendees include Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 5) April 20, 2011. Meeting to discuss the hospital commitment and general terms of the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 6) May 18, 2011. Meeting to discuss general terms of the Development Agreement, including termination, the hospital commitment, timing of community benefits, remedies and priority processing. Attendees include Ken Rich (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Tay Via (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 7) June 1, 2011. Meeting to discuss general terms of the Development Agreement, including title of document, definition of terms, timing of community benefits, city cost recovery, termination, transfer of agreement, and future changes to existing standards. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Anita Wood (Deputy City Attorney), Audrey Pearson (Deputy City Attorney), Matthew Bove (Coblentz, Patch,

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

- 8) August 10, 2011. Meeting to discuss the healthcare and housing obligations in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Starr Terrell (OEWD), Malcolm Yeung (Mayor's Office), Jennifer Matz (OEWD), Ken Rich (OEWD), Tamsen Drew (OEWD), Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Warren Browner (CPMC), Judy Li (Sutter West Bay), Mark Farrar (CPMC). No agreements reached.
- 9) August 24, 2011. Meeting to discuss the healthcare and housing obligations in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Malcolm Yeung (Mayor's Office), Ken Rich (OEWD), Tamsen Drew (OEWD), Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Warren Browner (CPMC), Judy Li (Sutter West Bay). No agreements reached.
- 10) September 7, 2011. Meeting to discuss housing and pedestrian safety obligations, St. Luke's Operating Commitment and grants to community clinics in the Development Agreement. Attendees include Steve Kawa (Mayor's Office), Malcolm Yeung (Mayor's Office), Jennifer Matz (OEWD), Ken Rich (OEWD), Tamsen Drew (OEWD), Barbara Garcia (Department of Public Health (DPH), Collen Chawla (DPH), Michael Duncheon (General Counsel, Sutter West Bay), Judy Li (Sutter West Bay). No agreements reached.
- 11) October 5, 2011. Meeting to discuss CPMC Operating Margin and CPMC Community Benefits. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Robert Gamble (Public Financial Management (PFM)), Robert Guadagno (PFM), Greg Wagner (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.
- 12) October 10, 2011. Meeting to discuss remedies and damages for breach of the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 13) October 13, 2011. Meeting to discuss cost of 10,000 Medi-Cal Managed Care Beneficiaries. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Paige Siepes-Metzler (Aon-Hewitt), Greg Wagner (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.
- 14) October 17, 2011. Meeting to discuss cost of 10,000 Medi-Cal Managed Care Beneficiaries. Attendees include John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Emily Webb (CPMC), Paige Siepes-Metzler (Aon-Hewitt), Greg Wagner (DPH), Colleen Chawla (DPH), Tamsen Drew (OEWD). No agreements reached.
- 15) October 19, 2011. Meeting to discuss CPMC Operating Margin and CPMC Community Benefits. Attendees John Gates, (Sutter West Bay), Judy Li (Sutter West Bay), Mark Farrar (CPMC), Henry Yu (Sutter West Bay), Robert Gamble (Public Financial Management (PFM)), Robert Guadagno (PFM), Greg Wagner (DPH), Colleen Chawla (DPH), Ken Rich (OEWD), Tamsen Drew (OEWD). No agreements reached.

- 16) October 26, 2011. Meeting to discuss hospital commitment and other general terms in the Development Agreement. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 17) October 31, 2011. Meeting to discuss health care terms in the Development Agreement including St. Luke's commitments. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreements reached.
- 18) January 9, 2012. Meeting to discuss healthcare terms including innovation fund, St. Luke's operating commitment, 10,000 Medi-Cal Managed Care Beneficiaries, and Baseline Healthcare obligation. Attendees include, Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Colleen Chawla (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC). No agreements reached.
- 19) January 11, 2012. Meeting to discuss healthcare obligations including the innovation fund. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Barbara Garcia (DPH), Greg Wagner (DPH), Colleen Chawla (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC). No agreements reached.
- 20) January 20, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.
- 21) January 23, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.
- 22) January 24, 2012. Meeting to discuss healthcare obligations and financial thresholds. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Greg Wagner (DPH), Judy Li (Sutter West Bay), Mark Farrar (CPMC), John Gates (Sutter West Bay), Henry Yu (Sutter West Bay). No agreements reached.
- 23) February 27, 2012. Meeting to discuss proposed term sheet on business terms, including healthcare, housing, workforce, transit, and pedestrian safety. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Cyndi Kettmann (CPMC), Mark Farrar (CPMC). Tentative agreement reached.
- 24) March 3, 2012. Meeting to discuss outstanding business terms for transportation, housing and public improvements. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Malcolm Yeung (Mayor's Office), Mark Farrar (CPMC). No agreement reached.
- 25) March 7, 2012. Meeting to discuss hospital commitment, transportation, and tolling. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreement reached.

- 26) March 12, 2012. Meeting to discuss healthcare commitments including Baseline Healthcare Commitment, Medi-cal Managed Care Beneficiaries, Operating Margin, and Innovation Fund. Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Joshua Steinhauer (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). No agreement reached.
- 27) March 15, 2012. Meeting to discuss outstanding issues including transportation fees, damages, healthcare commitments. Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Colleen Chawla (DPH), Matthew Bove (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay), Cyndi Kettmann (CPMC). Tentative agreements reached.
- 28) March 19, 2012. Meeting to discuss outstanding business terms including public improvements, housing, healthcare and effect on City's Health Services System (HSS). Attendees include Ken Rich (OEWD), Tamsen Drew (OEWD), Charles Sullivan (Deputy City Attorney), Joshua Steinhauer (Coblentz, Patch, Duffy, Bass), Pam Duffy (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Michael Duncheon (General Counsel, Sutter West Bay). Tentative agreement reached.
- 29) April 17, 2012. Meeting to discuss Community Advisory Groups (CAG) and provisions for mental healthcare. Ken Rich (OEWD), Tamsen Drew (OEWD), Colleen Chawla (DPH), Charles Sullivan (Deputy City Attorney), Pam Duffy (Coblentz, Patch, Duffy, Bass), Tay Via (Coblentz, Patch, Duffy, Bass), Mark Farrar (CPMC), Judy Li (CPMC). Tentative agreement reached.



**4. Conclusion.**

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

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



# SAN FRANCISCO PLANNING DEPARTMENT



April 27, 2012

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

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

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

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

Dear Ms. Calvillo,

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

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

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

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

www.sfplanning.org

\* Complete memorandum in File No. 120357 \*



# SAN FRANCISCO PLANNING DEPARTMENT



## CPMC Long Range Development HEARING DATE: APRIL 26, 2012

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

Reception:  
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Fax:  
415.558.6409

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Information:  
415.558.6377

*Date:* April 12, 2012

*Case No.:* Cathedral Hill Campus: 2009.0885MTZWCBRSK  
St. Luke's Campus: 2009.0886MTZWCBRSK  
Davies Campus: 2004.0603CW  
All Campuses: 2005.0555E; 2012.0403W

*Project Address:* Cathedral Hill Campus: 1100 & 1101 Van Ness Avenue; 1255 Post Street; 1020, 1028-1030, 1034-1036, 1040-1052, 1054-1060, and 1062 Geary Street; 1375 Sutter Street  
St. Luke's Campus: 3555, 3615 Cesar Chavez Street; 1580 Valencia Street  
Davies Campus: 601 Duboce Avenue  
Pacific Campus: 2315 & 2333 Buchanan Street; 2300 California Street; 2330, 2340-2360, 2351, 2400, & 2405 Clay Street; 2315, 2323, 2324, 2329, & 2395 Sacramento Street; 2018, 2100 & 2200 Webster Street  
California Campus: 3698, 3700, 3838 & 3848-3850 California Street; 3801, 3905, 3773 & 3901 Sacramento Street; 460 Cherry Street

*Zoning/Ht. & Blk.* Cathedral Hill Campus: RC-4, Van Ness Special Use District/130-V; NC-3/130-E  
St. Luke's Campus: RH-2/105-E, 65-A  
Davies Campus: RH-3/65-D, 130-E  
Pacific Campus: RM-1, RM-2; 40-X, 160-F  
California Campus: RH-2, RM-2; 40-X, 80-E

*Proposed Zoning/ Height & Bulk:* Cathedral Hill Campus: RC-4, Van Ness Special Use District, Van Ness Avenue Medical Use Subdistrict/265-V (hospital site), 130-V (MOB site); NC-3/130-E (1375 Sutter Street site)  
St. Luke's Campus: RH-2, Cesar Chavez/Valencia Streets Medical Use Special Use District/105-E  
Davies Campus: No Change  
Pacific Campus: No Change  
California Campus: No Change

*Assessor's Block/Lot:* Cathedral Hill Campus: 0695/005, 006; 0694/005, 006, 007, 008, 009, 009A, 010; 0690/016  
St. Luke's Campus: 6575/001, 002; 6576/021 and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street  
Davies Campus: 3539/001  
Pacific Campus: 0612/008; 0613/002, 029; 0628/013, 014; 0629/041, 044; 0636/033; 0637/014, 015, 016, 017, 018, 019  
California Campus: 1015/001, 016, 052, 053, 054; 1016/001, 002, 003, 004, 005, 006, 007, 008, 009; 1017/027, 028

www.sfplanning.org

\* Complete memorandum in File No. 120357 \*



# SAN FRANCISCO PLANNING DEPARTMENT



## Planning Commission Motion No.18592 GENERAL PLAN FINDINGS

### PLANNING CODE SECTION 101.1 FINDINGS

HEARING DATE: APRIL 26, 2012

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

Reception:  
415.558.6378

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415.558.6409

Planning  
Information:  
415.558.6377

*Date:* April 12, 2012

*Project Name:* California Pacific Medical Center Long Range Development Plan

*Case Numbers:* 2005.0555E; 2009.0886MTZCBRKS;  
2009.0885MTZCBRKS; 2004.0603C; 2012.0403W

*Initiated by:* Geoffrey Nelson, CPMC  
633 Folsom Street, 5th Floor  
San Francisco, CA 94107  
(415) 600-7206  
[NelsonGK@Sutterhealth.org](mailto:NelsonGK@Sutterhealth.org)

*Staff Contact:* Elizabeth Watty, Planner  
[Elizabeth.Watty@sfgov.org](mailto:Elizabeth.Watty@sfgov.org), 415-558-6620

*Reviewed By:* Kelley Amdur, Director Neighborhood Planning  
[Kelley.Amdur@sfgov.org](mailto:Kelley.Amdur@sfgov.org), 415-558-6351

*Recommendation:* Adopt General Plan/Planning Code 101.1 Consistency Findings

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

#### PREAMBLE

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

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



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 18602

### Development Agreement

HEARING DATE: APRIL 26, 2012

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

1650 Mission St.  
Suite 400  
San Francisco,  
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Planning  
Information:  
415.558.6377

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

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

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

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

4. CPMC's proposed LRDP describes an integrated, modern system of health care with medical facilities that would comply with State of California hospital seismic safety laws under a city-wide system of care. The LRDP proposes three state-of-the-art acute care hospitals, increasing the number of San Francisco's earthquake safe hospital beds, creating 1,500 construction jobs (anticipating approximately \$2.5 billion in total development costs), retaining and growing over 6,200 existing CPMC jobs and improving health care access for San Franciscans.
5. CPMC's 2008 Institutional Master Plan describes CPMC's LRDP. Following the San Francisco Planning Commission and the Public Health Commission hearings on the Institutional Master Plan, the Planning Commission on November 19, 2009 accepted the IMP, and in November 2011, the IMP was updated, all in compliance with San Francisco Planning Code Section 304.5 (as so updated, the "IMP").
6. On March 30, 2012, CPMC filed an application with the City's Planning Department for approval of a development agreement relating to the Project Sites (the "Development Agreement") under Chapter 56. Developer also filed applications with the Department for certain activities described in Exhibit B to the Development Agreement (together with the Development Agreement, the "Project"). The Project includes the "Near Term Projects," which generally include the following: (i) on the St. Luke's Campus, a new replacement hospital, renovation and reuse of the 1957 Building, demolition of the existing hospital tower, construction of a new medical office building, and construction of an entry plaza, courtyard and public pedestrian pathway; (ii) on the new Cathedral Hill Campus, a new hospital and medical office building and the renovation and reuse of an existing office building as a full medical office use; and (iii) on the Davies Campus, a new Neuroscience Institute building. The Project also proposes that a portion of the San Jose Avenue right-of-way between Cesar Chavez Street and 27<sup>th</sup> Street will be vacated by the City and transferred to CPMC for incorporation into the St. Luke's Campus, and that a pedestrian tunnel will be constructed beneath Van Ness Avenue connecting the eastern portion of Cathedral Hill Hospital to the western portion of the Cathedral Hill MOB.
7. CPMC also proposes certain Long-Term Projects (as also described in Exhibit B to the Development Agreement), which are subject to additional review and approvals and generally include the following: (i) on the Davies Campus, a new medical office building; and (ii) on the Pacific Campus, an ambulatory care center addition including administrative and medical office uses and underground and above-ground parking facilities.
8. The Office of Economic and Workforce Development ("OEWD"), in consultation with the Planning Director, has negotiated a proposed development agreement for the Project Site, a copy of which is attached as Exhibit A (the "Development Agreement").

9. On April 10, 2012, the Mayor introduced to the Board of Supervisors an ordinance adopting the Development Agreement.
10. Concurrently with this Resolution, the Planning Commission is taking a number of actions in furtherance of the Project, as generally described in Exhibit I to the Development Agreement.
11. The Project would enable CPMC to continue to provide high-quality patient care using ground-breaking technology in seismically safe, state-of-the-art acute care hospitals, increasing the number of highest rated earthquake safe hospital beds, retaining and increasing emergency room capacity in San Francisco, and providing critical resources for San Francisco's disaster preparedness. In addition to the significant benefits which the City will realize due to CPMC's proposed Project, the City has determined that as a result of the development of the Project in accordance with the Development Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Some of the major additional public benefits that would arise with implementation of the Project include: rebuilding St. Luke's Hospital at a cost of approximately \$250 million; a workforce development program that includes a first source hiring program for construction and operation activities, a local business enterprise hiring agreement and a workforce training payment of \$2 million; a community healthcare program which includes commitments for St. Luke's operation and a substantial health care services program for the poor and underserved; a housing program providing over \$62 million to replacement units, affordable housing and down payment assistance, plus an additional estimated \$35 million for affordable housing from repayment of DALP loans and housing appreciation, and transportation and public improvement funding, all as more particularly described in the Development Agreement. The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project Sites.
12. The Planning Department analyzed the Project (Case Nos. 2004.0603, 2005.0555, 2009.0885, 2009.0886, 2012.0403), including the Development Agreement and other actions related to the Project, in an Environmental Impact Report published on July 21, 2010 ("DEIR"). On April 26, 2012, by Motion No. 18588, the Commission made findings and certified the DEIR, together with the responses to the comments on the DEIR, as a Final Environmental Impact Report ("FEIR") in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., ("CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000 et seq.) and Chapter 31 of the San Francisco Administrative Code (Chapter 31). The Commission has reviewed the FEIR and adopts and incorporates by reference as though fully set forth herein the findings, including the statement of overriding considerations, pursuant to CEQA, adopted by the Commission in Motion No. 18589.
13. Also on April 26, 2012, by Motion No. 18589, the Planning Commission adopted findings, including a statement of overriding considerations and a mitigation monitoring and reporting program, pursuant to CEQA. Such findings are incorporated herein by reference.

14. The Commission hereby finds, for the reasons set for in Motion No. 18592, that the Development Agreement and related approval actions are, on balance, consistent with the General Plan including any area plans, and are consistent with the Planning Code Priority Policies of Planning Code Section 101.1(b).
15. The Director accepted the application for filing after it was deemed complete; published notice of acceptance in an official newspaper; and has made the application publicly available under Administrative Code Section 56.4(c).
16. The Director issued a Director's Report on the Development Agreement on April 6, 2012, at least 20 days prior to the hearing as required by Administrative Code Section 56.10(a).
17. The Director has scheduled and the Commission has held a public hearing as required by Administrative Code Section 56.4(c). The Planning Department gave notice as required by Planning Code Section 306.3 and mailed such notice on April 6, 2012, which is at least 10 days before the hearing to local public agencies as required by Administrative Code Section 56.8(b). The Planning Department also gave advance agenda notice of the hearing on the Development Agreement on April 13, 2012 as required by Administrative Code Section 56.8(b).
18. The Planning Department file on this matter was available for public review at least 20 days before the first public hearing on the development agreement as required by Administrative Code Section 56.10(b). The file continues to be available for review at the Planning Department at 1650 Mission Street, 4<sup>th</sup> floor, San Francisco.

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

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

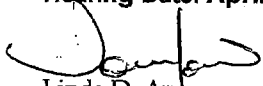
**FURTHER RESOLVED**, that pursuant to Administrative Code Section 56.20(b), the Developer shall pay the City an amount equal to all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for the Planning Department and the City Attorneys' Office, as invoiced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

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



**Resolution No. 18602**

**Hearing Date: April 26, 2012**

  
Linda D. Avery  
Commission Secretary

**CASE NO. 2005.0555E; 2012.0403W**  
**California Pacific Medical Center LRDP**

AYES: Fong, Antonini, Borden, Miguel

NAYS: Moore and Sugaya

ABSENT: Wu

ADOPTED: April 26, 2012

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. 12-064

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*R. Bowman*

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

MEMORANDUM OF UNDERSTANDING  
PROPOSED CPMC PROJECT  
AMENDMENT NO. 1

This First Amendment to the Memorandum of Understanding (this "Amendment") is entered into by and between the City Agencies and CPMC on June 12, 2012 in connection with CPMC's proposed long-range development plan.

All initially capitalized terms used herein shall have the same meaning as in the MOU.

RECITALS

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

A. The City Agencies and CPMC entered into a Memorandum of Understanding for the Proposed CPMC Project attached as Attachment A (the "MOU").

B. On or about April 26, 2012, the City Planning Commission (Planning Commission) certified the Final Environmental Impact Report for the CPMC LRDP.

C. Also on or about April 26, 2012, the Planning Commission held public hearings on the development agreement relating to the construction and reconstruction of healthcare facilities in furtherance of California Pacific Medical Center Long-Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals (Development Agreement) and other approvals and recommended same to the San Francisco Board of Supervisors (together the CPMC "Project").

D. The MOU was intended to provide a temporary mechanism by which CPMC reimbursed the City Agencies for staff time and materials expended on any component of the Development Agreement prior to CPMC's filing an application for the Development Agreement under Chapter 56 of the Administrative Code.

E. The Development Agreement applications was filed shortly prior to Planning Commission approval and recommendation of the Project to the Board of Supervisors when City Agency and CPMC negotiations were substantially completed.

F. This First Amendment to MOU is intended to amend and extend the MOU as provided below.

AGREEMENT

OEWD and the Planning Department as applicable and CPMC agreed to the following:

1. Extension of MOU. The MOU is extended to the earlier of November 1, 2012 or the Effective Date of the Development Agreement.

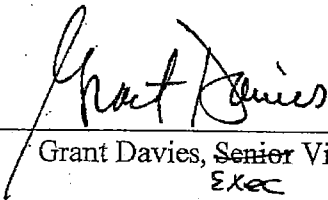
2. Reimbursement. Section 5 of the MOU is deleted. All DA Costs incurred subsequent to the Development Agreement application shall be paid by CPMC in accordance

with the process and procedures described in Section 4 of the MOU. The parties understand and agree that the MOU and this Amendment satisfy the principles and requirements of Chapter 56 as provided in the Development Agreement ordinance lodged with the Clerk of the Board of Supervisors, Board File No. 120366.

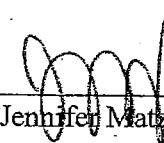
3. MOU Continuing Effect. Except as expressly modified hereby, the provisions of the MOU remain in full force and effect.

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

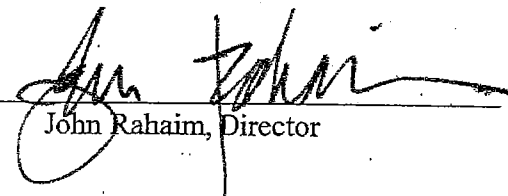
SUTTER WEST BAY HOSPITALS,  
a California non-profit public benefit corporation  
dba California Pacific Medical Center

By:   
Grant Davies, Senior Vice President Operations  
Exec

SAN FRANCISCO OFFICE OF ECONOMIC  
AND WORKFORCE DEVELOPMENT

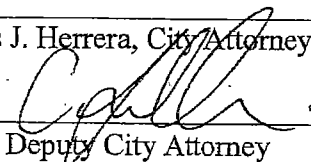
By:   
Jennifer Matz, Director

SAN FRANCISCO PLANNING DEPARTMENT

By:   
John Rahaim, Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Dennis J. Herrera, City Attorney

By:   
Deputy City Attorney

ECONOMIC AND WORKFORCE DEVELOPMENT  
JENNIFER MATZ, DIRECTOR



CITY AND COUNTY OF SAN FRANCISCO  
EDWIN M. LEE, MAYOR

May 30, 2012

Below is the estimated budget for City staff time and materials spent on the preparation and review of documents and plans for the California Pacific Medical Center project from January 1, 2012 through September 30, 2012. This revised budget is based on actual accruals of time and materials as well as reasonable estimates for City departments. Actual invoices will be submitted to the Project Sponsor as costs are incurred on a quarterly basis.

Department	Budget – June 3, 2011 to December 31, 2011	Invoiced to Date	Revised Budget January 1, 2012 to September 30, 2012
Office of Economic and Workforce Development	\$ 120,000.00	\$ 137,883.91	\$ 150,000.00
Department of Public Works	\$ 100,000.00	N/A (Invoiced through OEWD)	N/A
City Attorney	\$ 300,000.00	\$ 274,083.43	\$ 450,000.00
<b>Total</b>	<b>\$ 520,000.00</b>	<b>\$ 411,966.34</b>	<b>\$ 600,000.00</b>

JUN 1 3 2012

EXHIBIT A (Revised rates as of January 1, 2012)  
Rates

City Agency	Title or Position	Rate per hour
City Attorney	Deputy City Attorney	\$ 360.00
City Attorney	Legal Assistant	\$ 170.00
OEWD	Project Director	\$ 103.29
OEWD	Project Manager	\$ 70.85
DPW	Bureau Manager	\$ 215.00
DPW	Senior Engineer	\$ 180.16
DPW	Administrative Engineer	\$ 167.51
DPW	Engineer	\$ 155.62
DPW	Associate Engineer	\$ 134.46
DPW	Assistant Engineer	\$ 115.50
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DPW	Project Manager I	\$ 143.91
DPW	Project Manager II	\$ 166.54
DPW	Project Manager III	\$ 202.12
DPW	Secretary II	\$ 72.87
DPW	Senior Clerk Typist	\$ 66.09

City Consultant	Title of Position	Rate per hour
Public Financial Management	Financial Consultants	\$ 275.00



MEMORANDUM OF UNDERSTANDING # \_\_\_\_\_  
Proposed CPMC Project

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

RECITALS

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

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

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

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

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

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

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

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

#### AGREEMENT

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

1. Negotiations. OEWD, working in close consultation with the Planning Director, shall act as the lead representative of the City Agencies in negotiating the substance of the Development Agreement with CPMC, and shall consult with the City Agencies in negotiations with CPMC, each of which shall contribute personnel as selected by its director.
2. Drafting. OEWD, in conjunction with the Office of the City Attorney and CPMC, shall draft the Development Agreement, consulting with the Planning Director and City Agencies with respect to the items that affect each City Agency. CPMC's consultants and architects shall prepare any required exhibits and appendices in consultation with OEWD.
3. Planning Department. The Planning Director shall appoint a Planning project manager who shall coordinate all Planning Department efforts related to the preparation of the contents of the Development Agreement and required exhibits and appendices. The Planning Department Division of Major Environmental Analysis ("MEA") shall prepare the Environmental Impact Report for the CPMC Project, and may consult from time to time with the City Agencies regarding the environmental review. The costs of staff time and materials for all of the Planning Department's tasks associated with the CPMC Project shall not be reimbursed by this MOU or the Development Agreement fee described below, but shall instead be reimbursed by the application fees paid by CPMC to the Planning Department.

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

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

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

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

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

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

departments, and officials, each shall exercise their sole discretion over all matters relating to the CPMC Project over which it has jurisdiction consistent with legal requirements, customary practices, and public health, safety, convenience and welfare, and each shall retain, at all times, their respective authority to take any action under its jurisdiction consistent with the foregoing.

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

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

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

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

To CPMC:

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

with a copy to:

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

Any notice of default must be sent by registered mail.

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

12. Notification of Limitations on Contributions. CPMC acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a

candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. CPMC acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more.

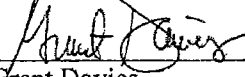
13. No Joint Liability. Nothing in this MOU shall be construed as giving a party the right or ability to bind other parties and nothing in this MOU shall be construed to create any joint liability with regard to, or as a result of, the activities undertaken by any of the parties, their employees, officers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

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

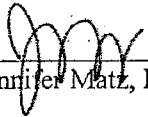
15. Miscellaneous. (a) This MOU may be modified only in writing and by mutual consent of all parties. (b) This MOU shall become effective when signed by the authorized representatives of OEWD and the Planning Department and CPMC. It shall remain in effect for each party until terminated in writing by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

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

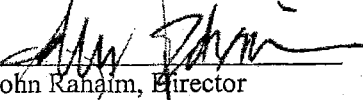
SUTTER WEST BAY HOSPITALS,  
a California nonprofit public benefit corporation,  
doing business as California Pacific Medical Center

By   
Grant Davies  
Executive Vice President

SAN FRANCISCO OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

By   
Jennifer Matz, Director

SAN FRANCISCO PLANNING DEPARTMENT

By   
John Rahaim, Director

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

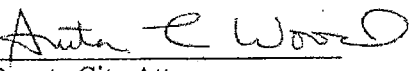
By   
Deputy City Attorney



EXHIBIT A  
Rates

City Agency	Title or Position	Rate per hour
City Attorney	Deputy City Attorney	\$ 350.00
City Attorney	Legal Assistant	\$ 165.00
OEWD	Project Manager	\$ 87.16
OEWD	Project Manager	\$97.91
OEWD	Project Assistant	\$ 27.50
DPW	Bureau Manager	\$ 215.00
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DPW	Secretary II	\$ 72.87
DPW	Senior Clerk Typist	\$ 66.09

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CPMC Development Agreement  
Revision from 4.5.12 Draft

#	Section	Change
<b>Development Agreement</b>		
1.	§ 8.2.1	<p><b>Annual Review and Compliance.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Extend period for CPMC's annual compliance report to allow for completion of financial reporting and auditing.</li> </ul> <p>Revise as follows:</p> <p>"<u>Required Information from CPMC</u>. Within one hundred <del>fifty</del> <u>twenty</u> (<del>20</del><u>150</u>) days following the end of each fiscal year (as defined in <u>Exhibit F</u>), CPMC shall provide a report to the Planning Director showing compliance,..."</p>
<b>Exhibit C - Scheduling &amp; Phasing</b>		
2.		<p><b>Scheduling and Phasing Plan.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Change the date for the City's completion of the San Jose Avenue project from 12.31.12 to 2.28.13.</li> </ul> <p>Revise as follows:</p> <p>"On or before the later of <del>December 31, 2012</del> <u>February 28, 2013</u> or four (4) months from commencement of San Jose Avenue CPMC Project"</p>
<b>Exhibit F - Healthcare</b>		
3.	§ 1.a	<p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Non-substantive document clean-up.</li> </ul> <p>Revise second sentence: per <del>diem</del> <u>calendar day</u> basis.</p>
4.	§ 2.d	<p><b>Medi-Cal Managed Care.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Include current level of performance to facilitate future monitoring of Medi-Cal Managed Care obligation.</li> </ul> <p>Revise as follows:</p> <p>"Of the total New Enrollees, CPMC shall accept approximately 1,500 new eligible Seniors and Persons with Disabilities ("SPDs") over the number of SPDs assigned to the medical group that designates CPMC's California, Pacific, or Davies Campus as their primary hospital as of January 1, 2012 (<u>i.e. 1.268</u>)."</p>
5.	§ 2.e	Correct typographical error last sentence: " <del>CPMC's</del> <u>CPMCs</u> "
6.	§ 2.f	<b>Medi-Cal Managed Care.</b>

**CPMC Development Agreement**  
**Revision from 4.5.12 Draft**

		<p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Clarify method for calculating costs to CPMC for providing services for Medi-Cal Managed Care obligation.</li> </ul> <p>Revise third sentence and beginning of fourth sentence to read as follows:</p> <p>“For purposes of this Section, CPMC's "costs" shall mean the reasonable cost of providing the applicable services as determined in accordance with <del>Medicare/Medi-Cal</del> <u>reasonable cost finding principles consistently applied</u>. These costs may <u>in part</u> be derived by....”</p>
7.	§ 2.f	<p><b>Medi-Cal Managed Care.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>CPMC is generally prohibited by State law from directly securing physician services. The Innovation Fund may be used to procure physician services for Medi-Cal patients.</li> </ul> <p>Delete last sentence:</p> <p><del>“Any additional costs incurred by CPMC in securing physician services for New Enrollees may be included in the Baseline Commitment, but shall not count toward determination of the Maximum Medi-Cal Shortfall.”</del></p>
8.	§ 3.e	<p><b>Innovation Fund.</b></p> <p>Summary of Changes:</p> <ul style="list-style-type: none"> <li>Clarify goals of the Health Care Innovation Fund to specify funding for the treatment of mental health patients.</li> </ul> <p>Revise as follows:</p> <p>“Provide infrastructure support for community-based health, human service and behavioral health service providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, <del>including community-based behavioral health care service providers</del> <u>providers of community-based alternatives to inpatient psychiatric care that allows patients to receive services in the most appropriate and least restrictive setting, (approximately 25%)</u>”</p>
9.	§ 7.a	<p><b>St. Luke’s Hospital.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Non-substantive document clean-up.</li> </ul> <p>Revise second paragraph as follows:</p> <p>“If City initiates Arbitration, CPMC shall deliver to the City and Arbitrator, prior to the conclusion of the Arbitration and issuance of the award, a report from <del>an</del> <u>its</u> independent third party auditor (<del>such as Ernst and Young or successor auditor hired by CPMC as set forth in Section</del></p>

**CPMC Development Agreement**  
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		<p>14.b below) stating its opinion that the information upon which the Operating Margin calculations are based in connection with a determination of an Operating Margin Failure is fairly stated in all material respects and is in conformance with applicable GAAP.”</p>
<p>10.</p>	<p>§ 12</p>	<p><b>Health Service System.</b></p> <p>Summary of Changes:</p> <ul style="list-style-type: none"> <li>• Language cleanup</li> <li>• Clarify that the “Annual Rate Increase” limitation applies to City employees and/or retirees that are “in-network” with CPMC.</li> <li>• Clarify that CPMC will charge the customary rates (higher than in-network) for City employees and/or retirees that are “out-of-network” with CPMC.</li> <li>• Clarify that any amounts charged by CPMC over these limits will be refunded to the City through the Health Service Trust Fund.</li> </ul> <p>Revise as follows:</p> <ol style="list-style-type: none"> <li>a. The City's Health Service System (“HSS”) contracts with HMO, PPO and Administrative Service Organizations (the “City Insurers”) to provide health care coverage to its members. The City Insurers currently include Blue Shield, Kaiser and United Health Care.</li> <li>b. To promote the goal of ensuring that the cost of building the Cathedral Hill Hospital and the St. Luke’s Hospital shall not be disproportionately passed on to the City, CPMC and City have agreed to the following rate increase limitations:</li> <li>c. For the period from January 1, 2013 to December 31, 2015, the negotiated fee for service increase for CPMC shall not exceed 5% annually as compared to the prior fiscal year fee for service rates, and for the following seven (7) years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5% (the “Annual Rate Increase”). Fee for service rates include those services paid on a percentage of charge, case rate, or per diem rate and encompass all rates charged to the City Insurers on an encounter or per service basis. Such annual fee for service increase computation shall be on an aggregated blended basis computed on the previous year rates and services and shall not include incentives payments or shared savings payments earned by the facility. This means that, for the same claims from the previous year (priced on the current year's rates as compared to the prior year), the increase in the amount shall not exceed the Annual Rate Increase. The City Insurers may change periodically and the application of this limit is contingent on CPMC having a contract to participate in the</li> </ol>

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

- d. CPMC will comply with all applicable laws and regulations that govern hospitals as to how patients must be treated when they present to CPMC for emergency services. This includes those patients with or without insurance coverage. CPMC shall also comply with all applicable provisions of Health and Safety Code Sections 1262.8, 1317.1, 1371.4 and 1386. In addition, if CPMC becomes a non-participating provider of any City Insurer's product/network for HSS Members after July 1, 2012, CPMC will work in good faith with the applicable City Insurer to establish a repatriation process for the applicable HSS members that are identified by the treating physician to be "stable for transfer" and for which the City Insurer has located a receiving physician to accept the HSS member at an appropriate facility that participates in the applicable City Insurer's product/network. The repatriation process may include but is not limited to establishing direct telephone access between the parties twenty-four hours a day/seven days a week, assistance coordinating transport and transfers to the other facilities once identified as being available to receive the HSS member and delivering patient notifications from the City Insurer to HSS Members when appropriate.
- e. In the event that the City and any City Insurer elects to offer a product/network that does not include CPMC as a participating provider for HSS members in the future, and CPMC continues to have a contract with the applicable City Insurer, CPMC will agree to extend to the City Insurer the same discount that CPMC (or an Affiliate of CPMC) extends to that City Insurer for all products/networks in which CPMC (or an Affiliate of CPMC) does not participate (the **Non-Participating Provider Rate**). The Non-participating Provider Rate will be applied to all services rendered to all the HSS members enrolled in the product/network, including but not limited to emergency services. This Section is not part of the Annual Rate Increase commitment above; however, the City may request an Independent Actuary to verify with the City Insurer that the rate was applied correctly as set forth in the applicable contract between the City Insurer and CPMC and per Section 12.g below.
- f. CPMC will provide reasonable access to City representatives to be included in related wellness and quality initiatives that impact HSS Members that participate in these types of programs administered or

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supported by CPMC ("ACO Program").

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

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

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**CPMC Development Agreement**  
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		increases <del>be less than</del> the maximum levels identified above.
11.	§ 14.a	<p><b>Reporting.</b></p> <p>Summary of Changes:</p> <ul style="list-style-type: none"> <li>Extend period for CPMC’s annual compliance report to allow for completion of financial reporting and auditing.</li> </ul> <p>Revise first sentence as follows:</p> <p>“As part of each annual Compliance Statement (and after the Term within one hundred <del>twenty</del><sup>fifty</sup> <del>(120)</del><sup>(150)</sup> days following the end of each fiscal year....”</p>
12.	§ 14.b	<p><b>Reporting.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Non-substantive document clean-up.</li> </ul> <p>Revise as follows:</p> <p>“If the Baseline Commitment exceeds forty percent (40%) of EBITDA as set forth in Section 1.a of this <u>Exhibit F</u>, then the CPMC EBITDA calculations submitted in accordance with this Agreement shall be accompanied by a <del>compliance</del> report from <u>CPMC’s auditor, Ernst and Young</u> (or successor independent auditors) stating that the financial information so submitted is fairly stated and consistent in all material respects with GAAP and the audited financials of Sutter Health.”</p>
13.	Att. A	<p><b>Innovation Fund Agreement.</b></p> <p>To come.</p>
<b>Exhibit G – Housing</b>		
14.	§ 4.d.i	<p><b>Downpayment Loan Assistance Program</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Bring CPMC DALP program into alignment with the City’s existing DALP program by requiring a minimum downpayment of 5% from the homeowner.</li> </ul> <p>Delete last sentence.</p> <p><del>“(4) the minimum downpayment requirement from Borrower’s own funds is increased from 2.5% to 5% of the total purchase price of the applicable property.”</del></p>
15.	§ 4.d.iii	<p><b>Downpayment Loan Assistance Program</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>Clarify maximum loan amount available for borrowers is either \$200,000</li> </ul>



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		<p>or 45% of the purchase price.</p> <p>Revise as follows:</p> <p>“The maximum CPMC DALP loan amount to each Borrower is <u>the lesser of Two Hundred Thousand Dollars (\$200,000.00) and the limit on the loan amount to 20 or 45% of the purchase price shall not apply.</u>”</p>
<p><b>Exhibit H – Public Improvements</b></p>		
17.	6.a	<p><b>Safe Passage Program.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>• Remove Tenderloin Housing Clinic as grant recipient. Grants will be administered by OEWD through a competitive bidding processes;</li> <li>• Change description of Safe Passage Program;</li> </ul> <p>Revise as follows:</p> <p>“The Safe Passage Grant shall be used by City to develop and implement a pilot <b>Safe Passage Program</b>, creating a designated safe walking route for children through the Tenderloin <u>connecting schools with organizations that provide after school programming and services to children and their families, to the Powell Street and/or Civic Center BART/Muni station at Market Street,</u> which pilot program is approved by or on behalf of the Director of Department of Public Works on behalf of City. The City, acting through OEWD, shall enter into a grant agreement with <u>a Tenderloin Housing Clinic, or another nonprofit organization selected by OEWD,</u> to create and implement the Safe Passage Program.”</p>
<p><b>Exhibit J – List of Approvals</b></p>		
18.	II.A	<p><b>St. Luke’s Campus. Planning Commission.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>• Non-substantive document clean-up.</li> </ul> <p>Revise as follows</p> <p><del>“2. Recommending Approval of Amendment to Planning Code Text (Resolution No. _____, adopted _____, 2012).</del></p> <p><u>2. 3. Recommending Approval of Amendment to the Planning Code Text and Amendments to Planning Code Height and Bulk District Map and Planning Code Special Use District (“SUD”) Map (Resolution No. ____, adopted ____, 2012).”</u></p>
19.	III.A	<p><b>Cathedral Hill Campus. Planning Commission.</b></p> <p>Summary of changes:</p>

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		<ul style="list-style-type: none"> <li>• Non-substantive document clean-up.</li> </ul> <p>Revise as follows.</p> <p><del>“1. Recommending Approval of Amendment to General Plan Van Ness Area Plan Text (Resolution No. ____, adopted ____, 2012).”</del></p> <p><del>2. and Recommending Approval of Amendment to General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Resolution No. ____, adopted ____, 2012).</del></p> <p><del>3. Recommending Approval of Amendment to Planning Code Text (Resolution No. ____, adopted ____, 2012).</del></p> <p><u>2-4. Recommending Approval of Amendment of Planning Code Text and Amendment to Planning Code Height and Bulk District Map and Planning Code SUD Map (Resolution No. ____, adopted ____, 2012).</u></p>
20.	III.A	<p><b>Cathedral Hill Campus. Planning Commission.</b></p> <p>Summary of changes:</p> <ul style="list-style-type: none"> <li>• Non-substantive document clean-up.</li> </ul> <p>Revise as follows:</p> <p><del>5.7. Approval of General Plan Referral for Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements, Cedar Street Conversion West of Cathedral Hill MOB Entrance from One Way to Two Way) and Sidewalk-Widening Legislation). (Motion No. ____, adopted ____, 2012.</del></p>
<b>Exhibit K – Transportation</b>		
21.	2.a	<p><b>SFMTA Fee.</b></p> <p>Summary of Changes:</p> <ul style="list-style-type: none"> <li>• Clarify that the parking entry and exit fee applies in instances where drivers have the cost of parking compensated.</li> </ul> <p>Revise as follows:</p> <p>“The SFMTA Fee shall not apply to deliveries and short term drop offs, turn arounds and others provided with a short courtesy entry and exit <del>or when parking taxes do not otherwise apply</del>, but it shall apply to any free parking offered to CPMC employees, contractors or agents.”</p>

## **CPMC Development Agreement**

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

Development Agreement

Exhibit F (with Innovation Fund Grant Agreement added)

Exhibit G (with CPMC DALP Manual added)

Exhibit J (with Planning Commission actions inserted)

Exhibit K



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

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

**RECITALS**

This Agreement is made with reference to the following facts:

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

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

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

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

13.5	Construction of Agreement	<u>4746</u>
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13.7	Recordation	47
13.8	Obligations Not Dischargeable in Bankruptcy	47
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13.10	Signature in Counterparts	47
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13.13	Severability	<u>4948</u>
13.14	MacBride Principles	49
13.15	Tropical Hardwood and Virgin Redwood	49
13.16	Sunshine	49

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

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

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

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

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

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

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

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

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

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

## AGREEMENT

### 1. DEFINITIONS

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

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

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

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

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



- 1.5 "Approvals" means the City approvals, entitlements, and permits listed on Exhibit J.
- 1.6 "Assignment and Assumption Agreement" has the meaning set forth in Section 11.2.
- 1.7 "Board of Supervisors" means the Board of Supervisors of the City and County of San Francisco.
- 1.8 "Cal-DPH" means the California Department of Public Health.
- 1.9 "California Campus" means that certain real property more particularly described in Exhibit A-5, together with all buildings, structures, fixtures and other improvements located thereon.
- 1.10 "Caltrans" means the California State Department of Transportation.
- 1.11 "Cathedral Hill Campus" means that certain real property more particularly described in Exhibit A-2 (which includes the Cathedral Hill Hospital Site, the Cathedral Hill MOB Site and 1375 Sutter Street), together with all buildings, structures, fixtures and other improvements located thereon.
- 1.12 "Cathedral Hill Hospital" means the new Cathedral Hill Hospital, as more particularly described in Section 1 of Exhibit B-2.
- 1.13 "Cathedral Hill Hospital Site" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill Hospital Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.
- 1.14 "Cathedral Hill MOB" means the new Cathedral Hill Medical Office Building, as more particularly described in Section 3 of Exhibit B-2.
- 1.15 "Cathedral Hill MOB Site" means that portion of the Cathedral Hill Campus identified as the Cathedral Hill MOB Site in Exhibit A-2, together with all buildings, structures, fixtures and other improvements located thereon.
- 1.16 "CEQA" has the meaning set forth in Recital K.
- 1.17 "CEQA Findings" has the meaning set forth in Recital L.
- 1.18 "CEQA Guidelines" means Title 14 of the California Code of Regulations Section 15000 *et seq.*
- 1.19 "Chapter 56" has the meaning set forth in Recital H.
- 1.20 "City" means the City as defined in the opening paragraph of this Agreement. Unless the context or text specifically provides otherwise, references to the City

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

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

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

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

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

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

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

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

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

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

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

3.2 Transfer of Former Street Property. In connection with the Project, the City shall vacate and abandon all public rights in the Former Street Property (other than temporary utility easements in favor of the San Jose Avenue Utility Operators, if needed), each in connection with the completion of San Jose Avenue CPMC Project and the San Jose Avenue City Project. The City shall transfer the Former Street Property to CPMC in accordance with the San Jose Avenue Transfer Agreement, subject to all of the terms and conditions set forth therein.

If for any reason, other than a CPMC default, the City is unable or unwilling to transfer the Former Street Property to CPMC as and when required under the San Jose Transfer Agreement, CPMC may elect to terminate this Agreement following the meet and confer period in Section 9.2 and the notice and cure period in Section 9.3. CPMC shall commence the San Jose Avenue CPMC Project and will prosecute the San Jose Avenue CPMC Project diligently to completion generally in accordance with the Schedule and Phasing Plan. Upon payment of the Purchase Price under the San Jose Avenue Transfer Agreement, the City shall deliver such payment to MOH and CPMC shall receive a credit against the next Affordable Housing Payment to MOH under Exhibit G in an amount equal to the Purchase Price paid by CPMC to the City.

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

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

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

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

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

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

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

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

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

#### 5.4 Fees and Exactions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

INITIALS: CITY: \_\_\_\_\_ CPMC: \_\_\_\_\_

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

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

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

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

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

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

#### 9.4.5 Arbitration of Disputes.

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

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

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

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

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

## 10. AMENDMENT; TERMINATION; EXTENSION OF TERM

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

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

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

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

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

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

## 11. TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE

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

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

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

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

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

## 12. CPMC REPRESENTATIONS AND WARRANTIES

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

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

To CPMC:

Warren Browner, M.D.  
CEO, San Francisco Hospitals  
West Bay Region, Sutter Health  
~~Grant Davies~~  
~~Executive Vice President~~  
~~California Pacific Medical Center~~  
2351 Clay Street, 7th Floor  
San Francisco, CA 94115

with a copy to:

Michael A. Duncheon, Esq.  
VP & Regional Counsel, West Bay Region  
Sutter Health  
633 Folsom Street, Seventh Floor  
San Francisco, CA 94107

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

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

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

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

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



**EXHIBIT F**

**Community Healthcare Program**

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

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

**1. Health Care for Vulnerable Populations.**

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

<sup>1</sup> Skilled nursing facility is defined in Health & Safety Code Section 1250(c), and the definition is incorporated herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- d. Backstop Commitment. CPMC shall provide additional services, costing up to Twenty Million Dollars (\$20,000,000) in the aggregate (the "**Backstop Commitment**"), to the extent (i) the Baseline Commitment is otherwise limited by the Baseline Commitment Cap, to continue to meet the Baseline Commitment, and (ii) to continue to meet the New Medi-Cal Beneficiaries Commitment (as defined in Section 2(~~a~~b) below) to the extent otherwise limited due to the "**Maximum Medi-Cal Shortfall**" (as defined in Section 2(~~a~~f)). CPMC shall use the Backstop Commitment to the extent needed to meet the Baseline Commitment or the New Medi-Cal Beneficiaries Commitment until the Backstop Commitment is exhausted.
- e. St. Luke's Health Care Center. As of the date the Approvals are Finally Granted, CPMC shall operate and provide financial and other support to the St. Luke's Health Care Center in a manner and amount generally consistent with CPMC's levels of support for the St. Luke's Health Care Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 14,670 patients annually). The St. Luke's Health Care Center provides out-patient OB-GYN, internal medicine and pediatric services to patients, many of whom are low income and are publicly insured by Medi-Cal or Medicare.
- f. Bayview Child Health Center. As of the date the Approvals are Finally Granted, CPMC shall provide financial and other operational support for comprehensive primary pediatric care to residents of the Bayview area through the Bayview Child Health Center in a manner and amount generally consistent with CPMC's level of support for the Bayview Child Health Center's Existing Uses in fiscal year 2011-12 (i.e., serving approximately 950 patients annually). The Bayview Child Health Center provides comprehensive primary pediatric care to residences of the Bayview area, many of whom are low income, and are publicly insured by Medi-Cal or Medicare.

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

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

1. **New Medi-Cal Beneficiaries Commitment.**

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

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

- c. New Enrollees. So long as CPMC is open to accepting all of the New Enrollees that are assigned to the provider network that designates CPMC's California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s), then CPMC shall not be in Default if CPMC fails to satisfy the New Medi-Cal Beneficiaries Commitment because an insufficient number of New Enrollees have been assigned to the provider network that designates California, Pacific, Davies or Cathedral Hill Campus as their primary hospital(s). In the event of an insufficiency of New Enrollees, CPMC shall continue to remain open to accepting New Enrollees as described above.
- d. Phasing; 2-Year Rolling Average. The assignment of New Enrollees will occur over time as follows: 1,500 New Enrollees on or before one year after the Effective Date, and an additional 8,500 New Enrollees on or before December 31, 2015. CPMC shall maintain the New Medi-Cal Beneficiaries Commitment for such New Enrollees through the date that is ten (10) years following the Effective Date. Of the total New Enrollees, CPMC shall accept approximately 1,500 new eligible Seniors and Persons with Disabilities ("SPDs") over the number of SPDs assigned to the medical group that designates CPMC's California, Pacific or Davies Campus as their primary hospital as of January 1, 2012 (i.e., 1,268).

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

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

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

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

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

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

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

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

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

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

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



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

2. **Innovation Fund.**

a. **Administration.**

- i. **Innovation Fund Agreement.** CPMC shall enter into the Innovation Fund Grant Agreement (the "**Innovation Fund Agreement**") substantially in the form attached hereto as Attachment 1 to this Exhibit F, and City shall agree to and accept same as indicated, with only such changes as are approved by the DPH Director, the City Attorney and the Innovation Fund Foundation that do not decrease CPMC's payment obligations or otherwise materially reduce the benefits provided under the Innovation Fund Agreement as determined by the DPH Director. The Innovation Fund Agreement shall include and implement the provisions applicable to the Innovation Fund Foundation as set forth in this Section 3. CPMC shall deliver to the City the fully executed Innovation Fund Agreement promptly following execution and delivery by the parties, but in no event later than the date of the first required payment to the Innovation Fund under this Section. All actions, authorizations and decisions of City under this Section 3 shall be made by the DPH Director.
- ii. **Innovation Fund Foundation.** The Parties have mutually selected the San Francisco Foundation to be the party to hold and administer the Innovation Funds in accordance with the Innovation Fund Agreement (the "**Innovation Fund Foundation**"). If, for any reason, the San Francisco Foundation is unable to execute the Innovation Fund Agreement or, if at any time during the Term, the Innovation Fund Foundation is unable to perform its obligations under the Innovation Fund Agreement (including any termination of the San Francisco Foundation), the Parties shall by mutual agreement, or if they are unable to agree after 60 days, then City shall have the authority to select a replacement entity to serve as the Innovation Fund Foundation and CPMC and City shall execute and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

utilized at any time to meet the SNF Beds Capacity Commitment, and therefore any SNF beds that are not in a facility owned by CPMC or its Affiliates must be newly created to be counted for purposes of satisfying the SNF Beds Capacity Commitment.

Notwithstanding the foregoing, and regardless of whether CPMC has available SNF bed capacity, CPMC may discharge a patient to a community based bed if such discharge is clinically-supported or is consistent with a patient preference. The unreimbursed costs associated with SNF beds may be applied by CPMC to satisfy the Baseline Commitment and, to the extent that SNF services are provided to New Enrollees and those SNF services are required under the hospital services agreement between CPMC and the San Francisco Health Plan, the unreimbursed costs may be applied to the Maximum Medical Shortfall.

CPMC will work with SFPDPH, the other San Francisco hospitals, and other interested parties to address City-wide SNF capacity issues, and will be responsible for its mutually agreed upon fair share with other hospitals of any adopted City-wide SNF initiative to address any reduction in SNF capacity that might occur for the 10-year period starting upon expiration of the SNF Beds Capacity Commitment.

4. **Sub-Acute Care Services.** CPMC shall work with SFPDPH and other hospital operators in good faith, but without assuming any obligation to expend funds or other resources, to develop specific proposals for providing sub-acute care services in San Francisco, and to present such proposals to the Health Commission by June 30, 2013.
5. **Construction of St. Luke's Hospital.** The Hospital Commitment and Completion of Construction of the St. Luke's Hospital are described in the Agreement.
6. **St. Luke's Campus.**
  - a. **St. Luke's Hospital.** CPMC will continuously, without interruption, operate St. Luke's Hospital as GACH Licensed, 80-bed General Acute Care Hospital with comprehensive emergency medical services (pursuant to sections 70451-70459 of Title 22 of the California Code of Regulations) for a period of twenty (20) years starting on the date that St. Luke's Hospital Opens (the "**St. Luke's Operating Commitment**"); provided, however, CPMC may elect to terminate the St. Luke's Operating Commitment if CPMC's Operating Margin falls below one percent (1%) for two (2) consecutive fiscal years (an "**Operating Margin Failure**") starting on the first full fiscal year after the Opening of St. Luke's Hospital. If CPMC's Operating Margin falls below one percent (1%) in any fiscal year, CPMC shall notify the City of the same. During the following fiscal year, CPMC shall meet and confer in good faith with the DPH Director and other City staff to consider any proposed adjustment, modification, reduction, elimination, closing, sale, lease or transfer of St. Luke's Hospital services. CPMC shall use commercially reasonable efforts to prevent an Operating Margin Failure. If thereafter an Operating Margin Failure occurs (i.e., CPMC's Operating Margin fell below one percent (1%) for each of such two (2) consecutive fiscal years), then CPMC shall send notice of the same to City, including such information as

the City deems reasonably necessary to confirm whether an Operating Margin Failure has occurred, and CPMC shall have the right in the notice to terminate the St. Luke's Operating Commitment, provided such termination shall not become effective until thirty (30) days or more after CPMC's delivery of the notice. Furthermore, if the City disputes whether an Operating Margin Failure has occurred by initiating Arbitration pursuant to and within the time period set forth in Section 9.4.5 of the Agreement, then CPMC shall not terminate the St. Luke's Operating Commitment until the earlier of (1) the date on which the Arbitrator issues an award that provides that an Operating Margin Failure has occurred, or (2) the date that is six (6) months following the date on which CPMC provided notice as set forth above that an Operating Margin Failure occurred. If CPMC terminates the St. Luke's Operating Commitment before the completion of Arbitration and the Arbitrator determines that an Operating Margin Failure did not occur, then CPMC shall be liable for liquidated damages as set forth in Section 9.4.4(b) of the Agreement.

If City initiates Arbitration, CPMC shall deliver to the City and Arbitrator, prior to the conclusion of the Arbitration and issuance of the award, a report from its independent third party auditor (Ernst and Young or successor auditor hired by CPMC as set forth in Section 14.4(b) below) stating its opinion that the information upon which the Operating Margin calculations are based in connection with a determination of an Operating Margin Failure is fairly stated in all material respects and is in conformance with applicable GAAP.

As used herein, the term "**Operating Margin**" means Total Operating Revenue minus Total Operating Expense divided by Total Operating Revenue from CPMC and CPMC Affiliates operating within the boundaries of the City. Total Operating Revenue and Total Operating Expense shall be calculated in a manner consistent with GAAP.

"**Total Operating Expense**" means total expenses of operations of CPMC and all CPMC Affiliates operating within the boundaries of the City, defined in accordance with GAAP, consistently applied and as reflected in Sutter Health's audited consolidated financial statements. By way of example, such expenses include, without limitation, reasonable payments to the system (i.e., Sutter Health), consistently applied through the system, for overhead and for services provided by the system; such expenses would not include equity or cash transfers or capital contributions to the system.

"**Total Operating Revenue**" means all net revenues received by CPMC and all CPMC Affiliates operating within the boundaries of the City; including contractual allowance, charity and bad debt.

- b. Services at St. Luke's Campus During the St. Luke's Operating Commitment.
- i. CPMC shall provide the following services on-site at the St. Luke's Campus at all times during the St. Luke's Operating Commitment:
    - (A) Inpatient services, including cancer, cardiology, endocrinology, respiratory, neurology, gastroenterology, orthopedics, infectious disease, urology, general and vascular surgery, intensive care unit, labor & delivery, gynecology, special care nursery, telemedicine;
    - (B) Urgent care; and
    - (C) Outpatient services, including internal medicine, ambulatory surgery, cardiology, diagnostic imaging, gastroenterology, laboratory services, obstetrics, orthopedics, hepatology, neurology, oncology, orthopedics, respiratory therapy, child development, retail pharmacy, lab services.
  - ii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Community Health at the St. Luke's Campus. This Center of Excellence would build on CPMC's existing HealthFirst Program and annually offer approximately 800 patients from St. Luke's Health Care Center access to a primary care medical home to support self-management of chronic illness. The Center will recruit and train health workers from the community to work in an interdisciplinary care team setting, providing culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F). CPMC shall create a community advisory board to provide input into the operation of the Center.
  - iii. CPMC shall establish, operate and maintain at all times during the St. Luke's Operating Commitment a Center of Excellence in Senior Health at St. Luke's Campus. This Center of Excellence would be based upon the Hospital Elder Life Program ("HELP") and annually provide care to approximately 600 seniors over age 70. HELP is a targeted program of care for hospitalized older adults designed to prevent or decrease the severity of delirium and increase or maintain function, improve hospital care, maximize the patient's independence at discharge, assist the patient with transition from hospital to home, prevent unplanned readmission, and prevent the hazards of hospitalization that sometimes lead to a cascade in decline. The Center will provide culturally competent and linguistically appropriate services (as set forth in Section 11 of this Exhibit F).
  - iv. The unreimbursed cost of services of providing Health Care Services to Vulnerable Populations in connection with the two Centers of Excellence described in Subsections 7(b)(ii) and (b)(iii) above (other than

incremental costs for added service, including one-time start-up costs or other administrative costs that are not associated with providing Health Care Services to Vulnerable Populations), shall be included in and applied to the satisfaction of the Baseline Commitment.

- v. The obligations in Subsections 7(b)(i)-(iii) above shall start upon the Opening of the St. Luke's Hospital. CPMC may, in the exercise of its sole discretion, provide the services in Subsections 7(b)(i)-(iii), above through contractual or other arrangements with other licensed providers, so long as the services are performed at the St. Luke's Campus. CPMC may, in the exercise of its reasonable discretion, adjust, modify, reduce, close, eliminate, sell, lease or transfer the programs, services or service lines described in this Section 7(b)(i)(A) through (C) to meet evolving community needs, operational cost-effectiveness or quality standards, provided that CPMC shall provide no less than six (6) months notice to City of a proposed material reduction or elimination of a program, service or service line. During this six (6) month period, CPMC and SFDPH shall meet and confer on the proposal and during said period CPMC shall comply with applicable Laws with respect thereto, including but not limited to the applicable requirements of the City's Community Health Care Planning Ordinance (San Francisco Administrative Code, Appendix 17). CPMC may, in the exercise of its reasonable discretion, adjust or modify the programs offered through the two Centers of Excellence described in Sections 7(b)(ii) and (iii) to meet evolving community needs, operational cost-effectiveness or quality standards. Nothing herein shall be deemed limit the ability of CPMC to provide other or additional services.

c. St. Luke's Medical Office Building.

Commencing as of the Opening of the St. Luke's Hospital:

- i. CPMC shall submit a proposal for development of the St. Luke's MOB to the Sutter West Bay Board within ninety (90) days after (A) the Monteaagle MOB is operating at least ninety percent (90%) occupancy for a one (1) year period; (B) there is demonstrated demand, through formal pre-leasing commitments for at least seventy-five percent (75%) of the proposed seventy two thousand (72,000) rentable gross square feet of the St. Luke's MOB; and (C) operating rooms at St. Luke's Hospital are operating at least eighty percent (80%) capacity for a one (1) year period. A final decision to proceed with construction of the St. Luke's MOB shall be subject to approval by the Sutter West Bay Board (in the exercise of its sole and absolute discretion) and, if applicable, an agreement with a third party medical building developer and operator, including an acceptable economic structure and financing terms.



ii. If the Sutter West Bay Board decides not to proceed with the construction of the St. Luke's MOB, or fails to act with respect to such decision within six (6) months after its submittal to the Board in accordance with Section 7(c)(i), or if the conditions set forth in Section 7(c)(i) have not been satisfied on or before the date that is four (4) years following the Opening of the St. Luke's Hospital, then the City may request that the Parties meet and confer in good faith regarding the potential for development of the St. Luke's MOB. If, within six (6) months, CPMC has not agreed to Commence Construction of the St. Luke's MOB, then upon notice being delivered by City within sixty (60) days after said six (6) month period (the "**Option Commencement Date**"), a City option shall arise to lease from CPMC the St. Luke's MOB site solely for purposes of City constructing and operating a medical office building, subject to the following terms and conditions:

- (A) City and CPMC shall negotiate the terms of the lease in good faith, consistent with the material terms described below, and subject to each Parties' approval (which CPMC shall not unreasonably withhold). The negotiations shall continue for so long as the parties are willing to continue, but in no event less than six (6) months from the Option Commencement Date. If the Parties are unable to reach agreement within the six (6) month period, then they (or either of them) may agree to terminate negotiations or the parties may agree to submit the outstanding lease items to mediation, provided (i) any mediation shall be nonbinding, and (ii) any final lease shall be subject to the review and approval of the Parties, each in their reasonable discretion, and CPMC shall not disapprove the proposed lease based upon items that are consistent with the terms of this Exhibit F. The City may renew negotiations at any point up during the St. Luke's Operating Commitment so long as (i) not less than two (2) years have transpired since the previous negotiations ended, and (ii) CPMC does not intend to construct the St. Luke's MOB on the site. CPMC can notify the City at any time before or during ground lease negotiations that it intends to construct the St. Luke's MOB, and the City will have no ongoing negotiation rights under this Section so long as CPMC is actively pursuing the planning and construction of the St. Luke's MOB.
- (B) The ground lease will be for an initial term of fifty-five (55) years with four (4) five-year options to extend the term.
- (C) The ground lease will require the City to complete construction plans for the medical office building, obtain all required permits, approvals and authorizations to commence construction, and obtain financing necessary to complete construction, as reasonably

agreed upon by the Parties. The ground lease will also require the City to diligently complete construction upon commencement, subject to excusable delay.

- (D) The City will comply with all mitigation measures applicable to the construction and operation of the medical office building in accordance with CEQA. CPMC will have reasonable rights to review and approve the design for the medical building for consistency with St. Luke's Campus design and operations.
- (E) The ground lease will be at nominal rent, not to exceed \$100 per year, and without deduction abatement or offset and absolutely net of all costs and expenses. CPMC will not be required to incur any expense or make any payment with respect to the ground lease or City's use or occupancy of the site, including any improvements. City will be responsible for the management, maintenance, repair, preservation, and operation of the building and any supporting facilities. City shall not be required to demolish the building at the end of the ground lease term so long as it has been maintained in accordance with commercially reasonable standards.
- (F) CPMC would have first right of refusal with respect to any proposed transfer of the ground lease to a party, excluding any transfer to an affiliate or resulting from a reorganization.
- (G) Insurance, indemnity, default and remedies provisions would be consistent with industry standard provisions for ground leases for medical buildings in the San Francisco Bay Area, and.
- (H) Neither the City nor any tenant or occupant of the building shall use any space within the building for a birthing center, computerized tomography (CT), radiation therapy, MRI or other future imaging modalities, a laboratory (including a pathology laboratory or a clinical laboratory), physical therapy, respiratory therapy, inpatient or outpatient surgeries, or other services that compete with services then-provided by St. Luke's Hospital or elsewhere on the St. Luke's Campus, without the prior written consent of CPMC. Notwithstanding the foregoing if any such use is incidental to and routinely performed as part of a physician's primary medical practice for the physician's patients, the foregoing restrictions shall not apply. The foregoing restrictions shall not apply to any lease of space within the building to CPMC or any Affiliate of CPMC, or any subtenant or licensee of CPMC or any Affiliate of CPMC. City may lease space within the building for childcare, incidental retail or coffee shop purposes and other uses incidental to a medical office building.

7. **Integration of St. Luke's medical staff and Patient Quality Outcomes.** CPMC shall continue its good faith efforts at the clinical integration of medical staffs at the St. Luke's Campus, with the medical staff at its Pacific Campus, California Campus and Davies Campus (and, upon Completion of the Cathedral Hill Hospital and the Cathedral Hill Campus), and on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC Campuses.
8. **Participation in the Community Benefits Partnership.** CPMC shall continue to actively participate in the "**Community Benefits Partnership**" (an outgrowth of the Building a Healthier San Francisco needs assessment process and the Charity Care Project), of San Francisco private non-profit hospitals, SFPDH, Human Services, community clinics, health plans, non-profit providers and advocacy groups, to prepare a community benefit plan, as defined in Health and Safety Code Section 127355, for submittal to OSHPD. Upon completion, CPMC shall create its own plan to implement the goals of the community benefits plan. The community benefits plan will focus on low-income and underserved communities within the Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, and address primary care, disease prevention, and health promotion programs targeted to the needs of those communities.
9. **Service Agreements with Chinese Hospital.** Through existing service agreements, CPMC currently provides pediatric, obstetric, and certain tertiary services to Chinese Hospital patients. CPMC shall continue to provide such services in a manner generally consistent with existing services agreements with Chinese Hospital and its affiliates as of the Effective Date. Notwithstanding the foregoing, CPMC may adjust programs, services and service lines to meet evolving community needs and quality standards, as may be reflected in future service agreements with Chinese Hospital and its affiliates.
10. **Culturally and Linguistically Appropriate Services.** CPMC shall deliver at all Campuses culturally and linguistically appropriate services that are representative of San Francisco's diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS), as issued by the U.S. Department of Health and Human Services' Office of Minority Health in March 2001 and subsequently updated.
11. **City Health Services System.**
  - a. The City's Health Service System ("HSS") contracts with HMO, PPO and Administrative Service Organizations (the "**City Insurers**") to provide health care coverage to its members. The City Insurers currently include Blue Shield, Kaiser and United Health Care.
  - b. To promote the goal of ensuring that the cost of building the Cathedral Hill Hospital and the St. Luke's Hospital shall not be disproportionately passed on to the City, CPMC and City have agreed to the following rate increase limitations:
  - c. For the period from January 1, 2013 to December 31, 2015, the negotiated fee for

service increase for CPMC shall not exceed 5% annually as compared to the prior fiscal year fee for service rates, and for the following seven (7) years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5% (the "**Annual Rate Increase**"). Fee for service rates include those services paid on a percentage of charge, case rate, or per diem rate and encompass all rates charged to the City Insurers on an encounter or per service basis. Such annual fee for service increase computation shall be on an aggregated blended basis computed on the previous year rates and services and shall not include incentives payments or shared savings payments earned by the facility. This means that, for the same claims from the previous year (priced on the current year's rates as compared to the prior year), the increase in the amount shall not exceed the Annual Rate Increase. The City Insurers may change periodically and the application of this limit is contingent on CPMC having a contract to participate in the product/network for HSS members with the applicable City Insurer, and this limit shall apply to all services provided to all HSS members enrolled in the product and covered by the applicable City Insurer even if the HSS member selected a primary care physician and /or physician group or independent provider association (IPA) that is not typically associated with CPMC. This Section does not apply to any City Insurer that does not have a contract with CPMC to participate in a HSS member/product or network.

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

applied to all services rendered to all the HSS members enrolled in the product/network, including but not limited to emergency services. This Section is not part of the Annual Rate Increase commitment above; however, the City may request an Independent Actuary to verify with the City Insurer that the rate was applied correctly as set forth in the applicable contract between the City Insurer and CPMC and per Section 12-(g) below.

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

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

**12. Books and Records.**

- a. CPMC shall at all times keep and maintain complete and accurate books and records relating to the satisfaction of CPMC's obligations under this Exhibit F (the "**Healthcare Obligations**"), including but not limited to the costs incurred by CPMC and the amounts reimbursed to CPMC<sup>4</sup> for completion of the Healthcare Obligations, as may be necessary or appropriate to verify compliance with the Healthcare Obligations (the "**Books and Records**"). All Books and Records shall be maintained in accordance generally accepted accounting principles for health care providers, and as required to satisfy State and federal reporting obligations.
- b. CPMC must keep the Books and Records available for inspection by City and its agents in San Francisco during regular business hours, for a period of three (3) years from the date for performance of the obligation or, in the event of a dispute regarding satisfaction of the Healthcare Obligations, until such dispute shall have been resolved. CPMC agrees to make the Books and Records available to City and its agents annually upon request for the purpose of verifying CPMC's annual compliance or noncompliance with the Healthcare Obligations.
- c. Upon request, CPMC shall furnish City with such other financial or statistical reports as are publicly available or as have been reported to governmental entities from time to time, including but not limited to reports to OSHPD. If any audit by or on behalf of a State or federal governmental entity reveals that information previously submitted by CPMC to the City is incorrect or materially misleading (under the same standards, methodologies and numbers used and accepted by the State or federal entity), then CPMC shall inform the City of the audit and the corrected information within 30 days following CPMC's receipt of the audit.

**13. Reporting.**

- a. As part of each annual Compliance Statement (and after the Term within one hundred fifty (150) days following the end of each fiscal year for as long as any Healthcare Obligations remain outstanding), CPMC shall deliver to the City a reasonably detailed healthcare compliance report that verifies and provides the information required to demonstrate CPMC's compliance with each of the

<sup>4</sup> All references to CPMC in this Section 13 and in Section 14 shall include Affiliates of CPMC.

Healthcare Obligations during the preceding fiscal year, together with such backup documentation deemed reasonably necessary by the City to confirm such compliance (the "**Healthcare Compliance Report**"). Each Healthcare Compliance Report shall include a certification that it is true, accurate and complete, after reasonable inquiry, and complies with the terms of this Exhibit F. The City and CPMC shall cooperate with one another to develop a reporting format that satisfies the reasonable informational needs of the City in verifying compliance with this Exhibit F without requiring the disclosure of any CPMC confidential proprietary or trade secret information. CPMC shall provide or make available such additional supporting documentation as the DPH Director may reasonably request from time to time to verify CPMC's compliance with the Healthcare Obligations.

- b. If the Baseline Commitment exceeds forty percent (40%) of EBITDA as set forth in Section 1-(a) of this Exhibit F, then the CPMC EBITDA calculations submitted in accordance with this Agreement shall be accompanied by a report from CPMC's auditor, Ernst and Young (or successor independent auditors) stating that the financial information so submitted is fairly stated and consistent in all material respects with GAAP and the audited financials of Sutter Health.
- c. If CPMC intends to construct a new capital project in the City during the Term that is not part of the Project, then CPMC shall provide OEWD with prior notice and meet and confer with OEWD, for a period of not less than sixty (60) days, to discuss the timing and potential impacts of the capital project on CPMC's Total Operating Expense.

**14. Notices.**

All notices under this Exhibit F shall be delivered in accordance with Section 13.11 of the Agreement, provided that any notice to the City shall also be made to the DPH at the following address, or such other address as may be substituted by the City from time to time:

DPH Director  
101 Grove Street  
San Francisco, CA 94102-4593

**ATTACHMENT 1  
TO  
EXHIBIT F**

**Innovation Fund Grant Agreement**

This Innovation Fund Grant Agreement ("Innovation Fund Agreement") is entered into between Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("CPMC") and [San Francisco Foundation] ("Grantee"), and is further agreed to and accepted by the City and County of San Francisco. Capitalized terms have the meaning set forth in paragraph 1 or as otherwise indicated in this Innovation Fund Agreement.

**1. Definitions.**

(a) Allowable Costs: The costs of Grantee allocable to the Innovation Fund, as set forth in paragraph 9.

(b) City: The City and County of San Francisco, California, a municipal corporation organized and existing under the laws of the State of California.

(c) Committee: The committee of fund advisers described in paragraph 5 of this Innovation Fund Agreement.

(d) Innovation Fund: The amount contributed by CPMC pursuant to paragraph 3.

(e) Innovation Fund Balance: The amount equal to the Innovation Fund adjusted to reflect (i) increases by investment earnings, and (ii) decreases by investment losses, disbursements to healthcare providers pursuant to this Innovation Fund Agreement ("Disbursements"), and Allowable Costs.

(f) Development Agreement: That certain Development Agreement Relating to the Construction and Reconstruction of Health Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan By and Between the City and Sutter West Bay Hospitals dated \_\_\_\_\_, 2012.

(g) Project: The CPMC project as contemplated by the CPMC Long Range Development Plan and as generally described in Exhibits B-1 to B-5 of the Development Agreement.

**2. Purpose.** The contributions made to Grantee pursuant to this Innovation Fund Agreement shall be used as a designated fund to enhance the performance and improve the sustainability of community based service providers in the City, in accordance with the terms set forth in this Innovation Fund Agreement.



3. **Innovation Fund.** Subject to the conditions set forth below and provided that the Development Agreement has not previously been terminated, CPMC shall contribute to the Grantee the total amount of Twenty Million Dollars (\$20,000,000) in two (2) installments to be held as a designated fund by Grantee. The Innovation Fund contributions shall be made as follows: Three Million Five Hundred Thousand Dollars (\$3,500,000), within thirty (30) days of the Effective Date, as defined in the Development Agreement, and Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), within thirty (30) days of the date Approvals are Finally Granted, as defined in the Development Agreement. Notwithstanding the foregoing, nothing in this Innovation Fund Agreement shall be construed as a binding pledge to Grantee enforceable by Grantee.

4. **Investment Instructions.** The Innovation Fund and Innovation Fund Balance shall be invested with a ten (10) year horizon for Disbursements as described in paragraph 6(b). Grantee shall exercise final control of the investment of the Innovation Fund Balance pursuant to Grantee's investment policy and the provisions of this paragraph 4.

5. **Committee of Fund Advisors.**

(a) There shall be a committee of Innovation Fund advisors (the "Committee"). The Committee shall consist of three members: (i) one representative of the City, (ii) one representative of CPMC, and (iii) one representative of Grantee. The Committee shall have the duties specified in this Innovation Fund Agreement and shall provide to the Grantee advice regarding the Disbursements to be made from the Innovation Fund, including the rate, schedule and allocation of Disbursements and the terms, goals and purposes thereof, without liability of any kind or character to any person on account of such advice. Every effort will be made to reach a consensus on any such advice from the members of the Committee and Grantee. If a consensus is not reached, the City and CPMC shall, through the Committee, nevertheless provide a single report to the Grantee conveying the view of each of the Committee members, and Grantee shall have the authority to make final Disbursement decisions after considering such report. Subject to the foregoing right of the Committee to provide advice regarding Disbursements, Grantee shall exercise final control of the Disbursement of the Innovation Fund Balance pursuant to the terms of this Innovation Fund Agreement. Except where in this Innovation Fund Agreement notice is specified to be provided by a specific party, Grantee may rely on a written notice from City or CPMC, as members of the Committee, and shall have no obligation to investigate whether any such written instruction or notice is agreed to by any other member of the Committee, or is consistent with the obligations of CPMC or the City to any party other than Grantee. All Disbursements must be approved by the Board of Trustees of the San Francisco Foundation.

(b) Each year, no less than sixty (60) days after the close of Grantee's annual accounting period, Grantee shall prepare and provide to each member of the Committee, a written accounting of the Innovation Fund Balance, principal and earnings of the Innovation Fund for the preceding year, and Innovation Fund Disbursements.

(c) Grantee shall maintain records as part of its accounting system to account for all Disbursements, costs and expenses for a period of not less than four (4) years following

the date of such Disbursements, costs or other expenditures, and annually make records available to City and CPMC as provided herein and upon request.

**6. Annual Disbursements.**

(a) Grantee shall annually distribute a portion of the Designated Fund Balance to third-party health care providers/recipients and others through a grant application process approved by CPMC and City, in an amount and for such purposes as are consistent with the purposes of the Innovation Fund as described herein.

(b) The annual grant Disbursements shall be scheduled and allocated in such manner so as to maintain sufficient Innovation Fund Balance so that Disbursements may be provided for ten (10) years. The first Disbursements shall be made within one (1) year of the contribution of the Innovation Fund, as determined by the Committee and Grantee as provided above.

(c) Grantee shall confer with the Committee and obtain Disbursement advice from CPMC and City through the Committee prior to making a Disbursement commitment in accordance with Section 5(a), above. Grantee shall impose restrictions and/or conditions on grant Disbursements as necessary to ensure accountability for use of funds and to monitor effectiveness.

(d) City and CPMC shall have no right to challenge the appropriateness or the amount of any Disbursement provided it is consistent with the procedures and purposes identified herein.

**7. Initial Program Goals and Allocation.** The initial program goals and Innovation Fund allocation guidelines for Disbursements are as follows:

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

(b) Provide infrastructure support for community-based health and human services providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including community-based behavioral health care service providers (approximately 25%).

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

These initial program goals and allocation guidelines are subject to change as determined in accordance with Section 5, above.

8. Termination of This Innovation Fund Agreement.

(a) Termination by Grantee. If at any time Grantee (i) fails to qualify as an organization described in Internal Revenue Code Section 501(c)(3), (ii) ceases to exist, or (iii) determines, in its sole judgment, that any restriction or condition in this Innovation Fund Agreement has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served, then Grantee shall provide notice to CPMC and City and then transfer the entire Innovation Fund Balance within forty-five (45) days to a successor nonprofit charitable trust, fund, foundation or corporation which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3) and that meets with the approval of CPMC and City.

(b) Termination of Development Agreement. CPMC or City shall notify Grantee no later than ten (10) days after any termination of the Development Agreement between CPMC and City prior to the expiration of its Term. In such event, CPMC shall cease to be a member of the advising Committee, and Grantee shall continue to administer the Innovation Fund Balance in accordance with this Agreement.

9. Allowable Costs. The costs of establishing the Innovation Fund, investment expenses, management fees for professional managers and advisors (whether the Innovation Fund Balance is separately managed or co-mingled with an endowment pool containing other funds) plus [ ]% for overhead costs of Grantee, shall be charged against the Innovation Fund. If co-mingled, the Innovation Fund Balance shall bear not more than its proportionate share of the fees and costs.

10. Notice.

(a) Procedure. All formal notices to a party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, or by overnight courier delivery, to such party's mailing address. The respective mailing addresses of the parties are, until changed as hereinafter provided, the following:

GRANTOR:

Grant Davies  
Executive Vice President  
California Pacific Medical Center  
2351 Clay Street, 7th Floor  
San Francisco, CA 94115

with a copy to:

Michael Duncheon  
VP & Regional Counsel

West Bay Region Office of the General Counsel  
Sutter Health  
633 Folsom Street, Seventh Floor  
San Francisco, CA 94107

GRANTEE:

[San Francisco Foundation  
225 Bush Street, Suite 500  
San Francisco, CA 94104  
Attention \_\_\_\_\_]

(b) Notices and communications to members of the Committee shall be given in the manner provided herein at the addresses above, unless otherwise provided by each such member.

(c) Notices and communications with respect to technical matters in the routine performance and administration of this Innovation Fund Agreement shall be given by or to the appropriate representative of a party by such means as may be appropriate to ensure adequate communication of the information, including written confirmation of such communication where necessary or appropriate. All formal notices under this Innovation Fund Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by courier, on the delivery date or attempted delivery date shown on the return receipt or courier records. Any notice which a party desires to be a formal notice hereunder and binding as such on the other party must be given in writing and served in accordance with this paragraph.

(d) Change of Notice Address. A party or member of the Committee may change its, his or her mailing address at any time by giving formal written notice of such change to the other party (or both parties in the case of a member of the Committee) and each member of the Committee in the manner provided in this paragraph at least ten (10) days prior to the date such change is effected.

11. Obligations of Grantee.

(a) In addition to any other reports or notices required by this Innovation Fund Agreement, and until otherwise notified by CPMC or City that the requirement has or will be satisfied by the accounting provided pursuant to Section 5(b) above, Grantee shall submit to CPMC and City full and complete annual reports on the manner in which the principal and income (if any) arising from the Innovation Fund Balance have been allocated or Disbursed, and such annual reports shall be due no later than 60 days after the close of Grantee's annual accounting period.

(b) Grantee shall maintain records of receipts and expenditures and shall make its books and records relating to this Innovation Fund available to CPMC and City at reasonable times.

(c) Grantee shall not use any portion or proceeds from the Innovation Fund:

(1) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)).

(2) to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)).

(3) to make any grant to an individual or to another organization unless such grant shall be specifically described in paragraph 6, 7 or 8 hereof.

(4) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

(d) Grantee shall notify CPMC and City of any organizational changes during the term of the grant, including, but not limited to, any changes in the office of President or CEO and Treasurer or CFO, changes in the Grantee's tax-exempt status, and any event that is a disqualification event described in Section 8(a).

12. Miscellaneous. This Innovation Fund Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into between California residents and wholly to be performed in California. This Innovation Fund Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Innovation Fund Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

13. Time. Time is of the essence of this Innovation Fund Agreement and of each and every term and condition hereof. "Days" shall mean calendar days. In the event that any period of time to perform an obligation or notice period under this Innovation Fund Agreement ends on a Saturday, Sunday or state or national holiday, the applicable time period shall be extended to the next business day.

IN WITNESS WHEREOF, the undersigned have executed this Innovation Fund Agreement on the dates indicated.

CPMC

Sutter West Bay Hospitals,  
a California nonprofit public benefit  
corporation, dba CPMC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

GRANTEE

[San Francisco Foundation],  
a California nonprofit public benefit  
corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA,  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney  
City and County of San Francisco

AGREED AND ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

EXHIBIT G

**Housing Program**

CPMC shall make contributions for housing as described in this Housing Program, including: (1) \$4,138,620.00 to replace the total of 25 residential hotel and dwelling units that will be demolished as part of the Project, (2) \$29,000,000.00 to assist in the production of affordable rental housing, and (3) \$29,000,000.00 to create a downpayment assistance program for CPMC's low and moderate income employees, all as set forth below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit G.

**1. Residential Hotel Unit Replacement**

- a. All section references in this Section 1 only are to San Francisco Administrative Code Chapter 41, the Residential Hotel Unit Conversion and Demolition Ordinance ("**Residential Hotel Ordinance**").
- b. The Cathedral Hill MOB site contains twenty units that are designated as residential hotel units under Chapter 41. The units are as follows: six at 1034-1036 Geary Street and 14 at 1028-1030 Geary Street (collectively, the "**Residential Hotel Units**"). Section 41.12 requires a project sponsor to obtain a permit to convert a residential hotel unit before demolishing or converting it to another use. Before issuing a permit to convert, DBI must confirm that the project sponsor has complied with the one-for-one residential hotel unit replacement requirements of Section 41.13. Section 41.13(a)(4) allows a project sponsor to comply with this requirement by paying to MOH a fee equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition cost, as determined by the Department of Real Estate ("**DRE**") based on two independent appraisals. DRE obtained the required appraisals and, by letter dated September 7, 2010, established the total fee for the Residential Hotel Units as Two Million Six Hundred Eighty Four Thousand Eight Hundred Dollars (\$2,684,800.00) ("**Residential Hotel Unit Replacement Fee**").
- c. The obligation to pay the Residential Hotel Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the permit to convert for the Residential Hotel Units or (ii) the Effective Date. Upon such payment CPMC shall have satisfied the requirements of Section 41.13(a)(4). MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Hotel Unit Replacement Fee. Following payment by CPMC, the Residential Hotel Unit Replacement Fee shall not be refundable.

## 2. Residential Unit Replacement

The Cathedral Hill MOB site contains one residential unit at 1034-1036 Geary Street and four residential units at 1054-1060 Geary Street (collectively, the "**Residential Units**"). San Francisco Planning Code Section 317 requires conditional use approval for the demolition of three or more residential units, but does not require unit replacement. The City, acting through MOH, and CPMC, have agreed to a unit replacement fee of One Million Four Hundred Fifty Three Thousand Eight Hundred and Twenty Dollars (\$1,453,820.00) for the Residential Units ("**Residential Unit Replacement Fee**"). The Residential Unit Replacement Fee is based on the Citywide inclusionary housing fee schedule for three one bedroom units (\$248,210.00 x 3), one two bedroom unit (\$334,478.00) and one three bedroom unit (\$374,712.00). The obligation to pay the Residential Unit Replacement Fee arises and is due and payable to MOH on the earlier of (i) the date of issuance of the demolition permit for the Residential Units and (ii) the Effective Date. MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Unit Replacement Fee. Following payment by CPMC, the Residential Unit Replacement Fee shall not be refundable.

## 3. Affordable Housing Payment

- a. CPMC will pay Twenty Nine Million Dollars (\$29,000,000.00) ("**Affordable Housing Payment**") to the City, to be deposited in a separate account within the Affordable Housing Fund to be administered by MOH and used for predevelopment and development expenses and administrative costs associated with acquisition, construction, or rehabilitation of permanently affordable rental housing units in San Francisco. The obligation to make the Affordable Housing Payment arises and is payable by CPMC as follows: (i) Three Million Three Hundred and Fifty Thousand Dollars (\$3,350,000.00) on the Effective Date; (ii) Ten Million Six Hundred Fifty Thousand Dollars (\$10,650,000.00) on the earlier of the Commencement of Construction of the Cathedral Hill Hospital or the date that the Approvals are Finally Granted; and (iii) Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) annually on each anniversary of the date that the payment was due and owing under (ii) above until the Affordable Housing Payment is made in full. Once any installment of the Affordable Housing Payment is made, such payment shall be nonrefundable. To any amount due under subsection (ii) and (iii) CPMC shall add a Fee Deferral Surcharge, equal to the total amount due multiplied by the increase in the San Francisco Annual Infrastructure Construction Cost Inflation Estimate as published by the Office of the Controller each year for the period between the Effective Date and the date that the payment is made, compounded annually and prorated for any partial year. At CPMC's election, exercised in its sole and absolute discretion, CPMC may make the Affordable Housing Payment specified in subsection (iii) earlier than the required dates set forth above, and the amount of Fee Deferral Surcharge due shall be based on the date of payment.



- b. MOH shall have the right, in its sole discretion, to determine how and where to apply the Affordable Housing Payment, with the only restriction being that MOH must use the Affordable Housing Payment for predevelopment and development expenses and administrative costs associated with the acquisition, construction or rehabilitation of affordable housing units in San Francisco as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco. MOH shall maintain records as part of the City's accounting system to account for all expenditures from the Affordable Housing Payments for a period of four (4) years following the date of expenditure, and make such records available upon request.

#### 4. CPMC Workforce Housing Downpayment Assistance Loan Program

- a. Workforce Housing Downpayment Assistance Loan Program Account. Upon receipt of the initial CPMC DALP Payment as defined and set forth in Section 4.b of this Exhibit, the City shall establish a CPMC Workforce Housing Program Downpayment Assistance Account ("**CPMC DALP Account**") as part of the Affordable Housing Fund, to be used by MOH to administer a CPMC Downpayment Assistance Loan Program ("**CPMC DALP**") generally in accordance with the CPMC Downpayment Assistance Loan Program Manual attached as Schedule A to this Exhibit ("**CPMC Manual**"); as modified from time to time to reflect permitted changes to the CPMC DALP in accordance with Section 5 of this Exhibit. The purpose of the CPMC DALP is to provide downpayment assistance to Qualified CPMC Employees as defined in Section 4.d of this Exhibit and for no other purpose (except for permitted uses described in Section 4.g of this Exhibit). Once the CPMC DALP Account is established, MOH shall promptly commence and thereafter continue administration of the CPMC DALP consistent with the CPMC Manual for a period of eight (8) years (i.e., until the eighth (8<sup>th</sup>) anniversary of the first payment of the CPMC DALP Payment) (the "**End Date**"). All of MOH's costs in administering the CPMC DALP, including related homeownership counseling for CPMC borrowers and outreach to CPMC employees, shall be paid from the CPMC DALP Account, payable to MOH consistent with the process established in the CPMC Manual. MOH will charge a one (1) percent fee on each loan to cover costs associated with administering the CPMC DALP as described above.
- b. CPMC Contributions to City for CPMC DALP Account. CPMC will pay to MOH Twenty Nine Million Dollars (\$29,000,000.00) (the "**CPMC DALP Payment**") for the CPMC DALP Account. CPMC's obligation to make the CPMC DALP Payment arises and is payable as follows: (i) Five Million Eight Hundred Thousand Dollars (\$5,800,000.00) on the earlier of the date that the Approvals are Finally Granted or Commencement of Construction of the Cathedral Hill Hospital; and (ii) Five Million Eight Hundred Thousand Dollars (\$5,800,000.00) annually thereafter on each anniversary of the date that the first payment under clause (i) above is made until the CPMC DALP Payment is made in full. To any amount due under clause (ii) above CPMC shall add a Fee Deferral Surcharge equal to the total amount due multiplied by the increase in San Francisco Annual Infrastructure Construction Cost Inflation

Estimate as published by the Office of the Controller each year for the period between the date that the Approvals are Finally Granted and the date that the payment is made, compounded annually and prorated for any partial year. The calculation of the Fee Deferral Surcharge shall be made as set forth in Section 3 of this Exhibit. Any remaining funds in the CPMC DALP Account at the end of a given year shall be retained for use in future years until the End Date. If there is excess demand for CPMC DALP funds in a given year, then CPMC may, in its sole and absolute discretion, advance the next year's payment or such portion thereof to reduce the excess demand.

- c. Accounting and Record-Keeping. MOH shall maintain the CPMC DALP Account as a segregated interest-bearing account, with any interest earned or amounts lost to remain in the account and used exclusively for the purposes set forth in this Section 4 of this Exhibit until the End Date, at which time such funds shall be governed by Section 4.g of this Exhibit. MOH shall maintain books and records to account for all revenues and expenditures from the CPMC DALP Account and make all such records available to CPMC upon request for a period of four (4) years following the date of expenditure.
- d. Modifications to City's DALP Program. Unless separately defined herein or in the Agreement, initially capitalized terms in this Section 4.d of this Exhibit shall have the meaning and content set forth in the CPMC Manual. For the CPMC DALP, the following requirements apply:
- i. To qualify for assistance under the CPMC DALP Account, a Borrower must (A) be a Qualified CPMC Employee as defined below, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan, and (B) meet the Borrower eligibility requirements of the City's DALP, modified as follows: (1) the annual household income cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size, or if such index is no longer published by HUD, then the alternative index used by MOH for its other downpayment assistance loan programs; and (2) a Borrower is permitted to have a prior ownership interest in a dwelling unit, commercial real estate or land, provided that any such interest shall have terminated at least three (3) years before the CPMC DALP loan application submittal date.
  - ii. To be a "Qualified CPMC Employee", a Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date. Each Borrower must obtain an employment verification letter from

CPMC or provide a paystub, dated within the past 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall provide the CPMC Representative (defined below) with notice of the application. The CPMC Representative shall notify MOH, within seven (7) days of MOH's notice of the application, if the applicant meets or does not meet the definition of a Qualified CPMC Employee (and if the latter, the reasons therefore). If the CPMC Representative does not respond within seven (7) days, then MOH shall send a second notice to the CPMC Representative. If the CPMC Representative fails to notify MOH that the applicant does not meet the definition of a Qualified CPMC Employee within seven (7) days of the second notice, then such applicant shall be deemed a Qualified CPMC Employee.

- iii. The maximum CPMC DALP loan amount to each Borrower is the lesser of Two Hundred Thousand Dollars (\$200,000.00) or 45% of the purchase price.
  - iv. To qualify for assistance under the CPMC DALP Account, a Borrower cannot seek to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).
- e. CPMC Representative. CPMC shall from time to time by notice to MOH designate a person who may act as its representative for day-to-day administration of the CPMC DALP (the "**CPMC Representative**"). Notice under Section 4.d(ii) of this Exhibit shall be made to the CPMC Representative only. The CPMC Representative as of the Effective Date is \_\_\_\_\_ [to include address for notice purposes]. MOH shall give periodic progress reports to the CPMC Representative as agreed to by MOH and the CPMC Representative. Until the End Date, the CPMC Representative shall have an opportunity to review each application and MOH commitment letter. If the CPMC Representative fails to raise any objection to the making of a CPMC DALP Loan on a timely basis or notify MOH that a Qualified CPMC Employee status has changed and such person no longer is a Qualified CPMC Employee, then MOH shall have the right to make the loan to such person. Any objection raised by the CPMC Representative must be based upon the rules and requirements of the CPMC Manual and this Exhibit.
- f. Consistency with CPMC Manual. The CPMC DALP Account shall be administered by MOH in accordance with the rules and regulations set forth in the CPMC Manual. CPMC acknowledges that the CPMC Manual establishes additional eligibility requirements and underwriting criteria that MOH shall apply in reviewing each

application for downpayment assistance, and agrees that MOH shall have reasonable discretion, consistent with the CPMC Manual, in applying such criteria to all applications for CPMC DALP loans. CPMC shall have no right to challenge the appropriateness or the amount of any CPMC DALP loan approved or rejected, so long as such determination was reasonable; provided MOH agrees to meet with the CPMC Representative upon request to review and discuss any rejected application or any other matter relating to the CPMC DALP.

- g. Use of Funds on and After the End Date; Use of Repayment Funds. Any funds remaining in the CPMC DALP Account on the End Date shall be used by MOH in its sole discretion for affordable housing in the City. In addition, any funds that MOH receives from the sale of any residential units by persons that received a CPMC DALP Loan, including but not limited to any shared appreciation in such residential units between the time of purchase and the time of sale, shall be used by MOH in its sole discretion for affordable housing in the City. MOH shall have the right, in its sole discretion, to determine how and where to apply all such funds, with the only restriction being that MOH must use such funds for affordable housing in the City. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for affordable housing in San Francisco.

#### 5. Modifications.

The CPMC DALP may be further modified from time to time as mutually agreed in writing by CPMC and MOH. In addition, MOH may modify the CPMC DALP from time to time to maintain consistency with changes being made to other MOH downpayment assistance loan programs provided that such modifications shall not change the provisions of Section 4.d of this Exhibit or materially alter the rights, benefits or obligations of CPMC employees as set forth in Section 4 of this Exhibit. Prior to modifying the CPMC DALP in accordance with this Section 5, MOH shall provide CPMC notice of the proposed changes and a fifteen (15) day period to meet and confer with respect thereto. Any notice to CPMC under this section shall be made to the address set forth in Section 13.11 of the Agreement, with the CPMC Representative as an additional recipient. The proposed changes shall not be effective until and unless such meet and confer session first occurs unless CPMC provides notice to MOH declining the opportunity to meet and confer, in which case the changes shall be effective as of the date of CPMC's notice.

#### 6. Board Authorization and Appropriation.

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes MOH to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate, interest-bearing accounts as contemplated in this Exhibit, and appropriates the funds, including interest earnings and loan repayments, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the account created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund. After the End Date, any loan repayments and interest

**DRAFT**  
**46/2620/2012**

earnings shall be deposited into the Affordable Housing Fund, with such expenditures to be authorized by the MOH Director.

**Schedule A**

**CPMC Downpayment Assistance Loan Program Manual**

**[to be attached]**

MAYOR'S OFFICE OF HOUSING  
CITY AND COUNTY OF SAN FRANCISCO



EDWIN M. LEE  
MAYOR

OLSON LEE  
DIRECTOR

CALIFORNIA PACIFIC MEDICAL CENTER  
DOWNPAYMENT ASSISTANCE LOAN PROGRAM  
(CPMC DALP)

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**CITY AND COUNTY OF SAN FRANCISCO**  
**MAYOR'S OFFICE OF HOUSING**  
**CALIFORNIA PACIFIC MEDICAL CENTER**  
**DOWNPAYMENT ASSISTANCE LOAN PROGRAM**

**Section 1.01 PROGRAM DESCRIPTION**

**A. INTRODUCTION**

The Mayor's Office of Housing (MOH) administers the California Pacific Medical Center (CPMC) Downpayment Assistance Loan Program (CPMC DALP) contained in Exhibit G to the Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, a California nonprofit public benefit corporation doing business as CPMC (Development Agreement). This manual (CPMC DALP Manual) describes the program guidelines and processing procedures for the CPMC DALP. It also establishes the roles and responsibility of the City and County of San Francisco, MOH, the first mortgage lenders and the homeownership counseling agencies. In the event of any conflict between this CPMC DALP Manual and the terms of Exhibit G to the Development Agreement, the terms of Exhibit G shall prevail.

**B. DEFINITIONS**

- 1. Appreciation:** An amount representing the increased value of a property determined by comparing the fair market value (FMV), or sale price of a property at the time of the original purchase with the new FMV or sale price at the time of resale.
- 2. Back-end ratio:** The ratio between monthly household income and monthly housing costs plus all payments on long-term installment debt.
- 3. Bedroom:** A habitable room with legal ceiling heights, a closet, window and door with direct connection with the living space of the property. Bonus room and finished room will be considered as bedroom, if the room has the above requirements. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required.
- 4. Borrower:** For purposes of determining the household income, the income of all persons 18 years and older who will reside in the property will be considered as part of the total income used to determine eligibility within the established limits. Borrower must include a Qualified CPMC Employee. A Co-Borrower will be any additional person included on the deed as the owner or grantee of the residence to be purchased with the CPMC DALP loan.
- 5. Director:** Director of the Mayor's Office of Housing, or other official designated by the Mayor of the City and County of San Francisco.
- 6. Dependents:** The household members who reside in the property and who are listed as dependents on the Borrowers' income tax returns.
- 7. Eligible Household:** To be considered a member of a household, a person must either be (1) on the title and the loan documents for the unit or (2) claimed as a dependent on the tax returns of a household member who will appear on the title and loan for the property. A

household is defined in terms of financial relationships and can include any owner partnerships as long as their combined gross, annual income meets the eligibility guidelines. All household members must be first time homebuyer.

8. **Fair Market Value:** The value of a property based upon the determination of an authorized appraiser mutually acceptable to both the City and the Borrower.
9. **First-time homebuyer:** All Borrowers receiving a CPMC DALP loan must be a first time home buyer. First time home buyer is defined as a Borrower who has not had an ownership interest in a dwelling unit, commercial real estate or land for the last three-year period prior to the CPMC DALP loan application submittal date.
10. **Front-end Ratio:** The ratio between monthly household income and monthly housing cost, including first mortgage principal, interest, taxes, insurance and homeowner association due (HOA).
11. **Gross income:** The anticipated income of a Borrower or household member for the twelve-month period following the date of determination of income before tax withholding.
12. **Home:** Any residential property in which a Borrower or any member of a Borrower's household has ever owned as their Principal Residence.
13. **Household Size Compatibility:** The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.
14. **Household Income:** All sources of income from which the Borrower(s) and any other person 18 years of age or older who is expected to live in the residence, receive income including the monthly gross pay; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest, royalties, pensions, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).
15. **In-Law Units:** An area within the property that is autonomous from the principal residential area and has been constructed or converted to accommodate a living space for a separate household complete with kitchen and bath.
16. **Loan-to-value-ratio:** The ratio between the amount of all indebtedness likened or to be liened against a property to the appraised value of the property securing the liens.
17. **Liquid Assets:** Liquid assets include all sources of monies from savings, checking accounts or investments held by any occupant of the Borrower's household, including minors and any fund is available to liquidate. Liquid Assets will not include funds held in a pension account.

retirement fund, 401K plan, or similar asset that is not available for purchase of the property or liquidation.

18. Mayor's Office of Housing ("MOH"): The office designated by the Mayor to administer the program guidelines and perform required oversight and compliance monitoring of the Regulations established by the Affordable Housing and Home Ownership Program ("Program").
19. Maximum Purchase Price Limits: The current maximum purchase limit is \$637,645.
20. Maximum Income Limits: The CPMC DALP is available to eligible households whose combined annual income of all members 18 or older cannot be less than 60% nor exceed 100% of the median income for the San Francisco Metropolitan Statistical Bay Area as defined by HUD and adjusted for household size. The amounts are adjusted on an annual basis.
21. Monitoring: Activities of the Mayor's Office of Housing, which will ensure compliance with the requirement of owner occupancy. Borrowers are required to submit certain documentation on a regular basis to MOH to substantiate their continuing compliance with the Program requirements.
22. Participating Lender: Lending institutions that have demonstrated their ability to provide loan origination services and perform other duties within applicable laws and the Regulations.
23. Primary Financing: The first mortgage made by a Participating Lender for the purchase of a Principle Residence, which shall be the maximum loan affordable to an eligible Borrower.
24. Principal Residence: (1) A Single-Family Residence, (2) condominium or (3) townhouse. It does not include limited cooperatives (such as timeshares), recreational vehicles, campers, or similar vehicles. The Borrower must occupy the Principal Residence substantially for entire term of the loan.
25. Qualified CPMC Employee: A Borrower must be a current CPMC employee who has worked at least 1,000 hours per year as a CPMC employee for the two year period immediately prior to the CPMC DALP loan application submittal date.
26. Purchase Price: The cost of acquiring a residence, excluding usual and reasonable settlement or financing costs, and excluding the value of services performed by Borrower in completing the acquisition of the residence.
27. Regulations: The Regulations for Program as adopted by The Board of Supervisors of the City and County of San Francisco and as amended from time to time.
28. Rental Units: Any dwelling unit in which a Borrower maintains an ownership interest and is used, or can potentially be used, as an investment from which they derive rental income from tenants.
29. SFMSA: San Francisco Metropolitan Statistical Area.

30. Single Family Residence: A single-family one-unit residence intended and used for occupancy by one family household.

31. Total Transaction Costs: The cost of the purchase of a home, including the sales price, closing costs and transactional fees.

**C. ELIGIBLE USE OF FUNDS**

1. CPMC DALP loans will be made from available funding sources identified in Exhibit G, Section 4.b. of the Development Agreement. CPMC DALP loans are to provide down payment assistance to Qualified CPMC Employees who are first time home buyers to purchase their principal residence in San Francisco.

2. CPMC DALP loans are available to households earning not less than 60% nor more than 100% of the area median income (AMI) for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

3. CPMC DALP funds cannot be used to purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).

**D. BORROWER ELIGIBILITY REQUIREMENTS**

The following criteria must be met for a Borrower to be eligible for funding under the requirements of the CPMC DALP:

1) **Income and Asset Requirements:**

**A. Maximum Income Limits**

The Borrower's annual household income cannot be less than 60% or more than 100% of the area median income for the SFMSA as published by the U.S. Department of Housing and Urban Development (HUD), adjusted for household size.

Gross Income Includes: All sources of income from which the Borrower and any other person 18 years of age or over, who is expected to live in the residence. Gross income from wages, salaries; any additional income from overtime, part-time employment, bonuses, commissions, tips, dividends, interest or dividends earned on assets, royalties, annuities, insurance policies, retirement funds, pensions, disability or death benefits, Veteran's Administration (VA) compensation, net rental income or other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

**Income Determination:**

The Gross Income of a Borrower (or Borrowers) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Use one of the appropriate formulas for full time employment (40 hours) or employment with consistent regular hours or income to arrive at the Borrower's base pay.

The calculation of income based on the gross income on each borrower's three most recent and consecutive pay-stubs. Each household member's income is derived by dividing the year-to-date (YTD) gross income by the current pay period and then by annualizing an estimated pay period amount by the number of times the person is paid in one year.

YTD gross income/current pay period x number of paid a year = Annualized gross income

Example:

Year-to-date income is \$20,000 as of the 10<sup>th</sup> pay period of the year

Estimated pay period amount = \$20,000 divided by 10 = \$2,000

Total number of pay periods in year for Borrower is 24

Annualized pay = \$2,000 x 24 = \$48,000

Calculations such as part-time employment with variable hours (or less than 40 hours per week), inconsistent income or hours, overtime, bonuses and commissions, etc., can be calculated using year-to-date income to project the annual income.

A self-employed Co-Borrower can also be considered to have income which varies from month to month. The Co-Borrower gross annual income calculations will be based on the net income before taxes from the Co-Borrower signed, quarterly Profit and Loss Statement. This amount will be divided by the appropriate number of months covered by the Profit and Loss Statement to derive at a monthly income amount. The monthly income amount will be multiplied by 12 to derive the annual income.

A self-employed Co-Borrower must provide:

- Self-employed Affidavit.
- All Profit and Loss statements from the past 3 years
- An estimated Profit and Loss statement for the current year
- Copies of all invoices and payments made to the borrower as a part of self-employment in the current calendar year.

Example:

Year-to-date net income is \$32,000 for 5 months on the P/L Statement

Estimated Income amount = \$32,000 divided by 5 = \$6,400

Total number of the year is 12 months

Annualized Income = \$6,400 x 12 = \$76,800

A Co-Borrower not employed or not receiving any income must provide:

- Unemployment Affidavit must be signed and notarized.
- Unemployment Affidavit must be used in the event that the Borrower is not able to provide the Mayor's Office of Housing with paystubs or other documentation of regular income.

Interest earnings are computed on the net principal of the liquid assets at the current market rate after reduction of downpayment and closing cost requirements as applicable.

Information with respect to gross monthly income may be obtained from available loan documents executed during the four-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into

account in determining gross income is income of the Borrower (and any Co-Borrower) and any other person over 18 years of age who is expected live in the residence being financed. If the Co-Borrower, co-signer or co-habitant meets both requirements in the sentence above, include his/her income in your gross income calculations.

Verification of Employment and other supporting documentation regarding income such as pay stubs should be no more than 60 days old at the time of submission of the CPMC DALP loan application.

**B. Liquid Assets includes:** All source of monies from savings, checking accounts, investments and properties held by any member of the Borrower's household including minors and any fund is available for liquidation to purchase property. Liquid Assets do not include funds held in pension accounts, retirement funds, 401(k) plans, or similar assets which are not available for liquidation without substantial financial penalty to the Borrower. Personal property such as household furnishings, tools of trade or employment, or automobiles are NOT considered liquid assets. Evidence that liquid assets have been transferred to another individual or into an unavailable asset account to avoid use in the purchase will result in disapproval of the Borrower's application. Combined household liquid assets after purchase of property cannot exceed \$25,000.

As of January 1, 2012 the income limits as follows:

<u>Persons per household</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>	<u>Five</u>
<u>60% of AMI</u>	<u>\$43,250</u>	<u>\$49,450</u>	<u>\$55,600</u>	<u>\$61,800</u>	<u>\$66,750</u>
<u>70% of AMI</u>	<u>\$50,450</u>	<u>\$57,700</u>	<u>\$64,900</u>	<u>\$72,100</u>	<u>\$77,900</u>
<u>80% of AMI</u>	<u>\$57,700</u>	<u>\$65,900</u>	<u>\$74,150</u>	<u>\$82,400</u>	<u>\$89,000</u>
<u>90% of AMI</u>	<u>\$64,900</u>	<u>\$74,150</u>	<u>\$83,450</u>	<u>\$92,700</u>	<u>\$100,150</u>
<u>100% of AMI</u>	<u>\$72,100</u>	<u>\$82,400</u>	<u>\$92,700</u>	<u>\$103,000</u>	<u>\$111,250</u>

2) **First Time Home Buyer Requirements:** The CPMC DALP funding is available only to those Borrowers who have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date. This includes homes in any geographic location and not limited to property in the City and County of San Francisco. Evidence of compliance with this requirement includes the *First Time Homebuyer Affidavit (CPMC-DALP-4)* ("FTH Affidavit")

Executed copy of this affidavit must accompany each loan application package submit to MOH for loan review. Each party must personally execute *CPMC-DALP Application Form (CPMC-DALP-1)*, all affidavits; no powers of attorney may be used with any of these documents. In addition to this *FTH Affidavit*, the following evidence is required to determine First Time Homebuyer status and must be included with each loan submission file:

- a. True, correct and complete signed copies of the Borrower's federal income tax returns as filed with the IRS (or IRS printouts of complete tax returns) for the immediate three years, or
- b. An *Income Tax Affidavit (CPMC-DALP-3)* that the Borrower has not been required to file a federal income tax return during one or all of the preceding three years because the

Borrower's gross income was less than the minimum required for filing federal income tax returns. In addition, if the Borrower submits this Affidavit of non-filing, the Borrower must also include additional supporting documentation, including but not limited to verification from the Borrower's landlord, and rental receipts with rental agreements for the year(s) in question. Also, the Borrowers require signing this Affidavit and preceding year W-2 Forms when an application is submitted during the period between January 1 to February 28 and the Borrower has not yet filed his/her federal income tax return for the preceding year with the IRS, and

c. Sign IRS Form 4506T-Request for Copy of Tax Return.

3) **Minimum Downpayment Requirement:** Borrower must contribute a minimum of five percent (5%) of the purchase price from the Borrower's own funds toward the down payment of the property. Borrower must have sufficient funds to meet the require down payment, closing cost, necessary reserves and sufficient income to meet the monthly mortgage payments, property tax, homeowner insurance and homeowner association dues.

4) **Primary Financing:** Borrowers who apply for a downpayment assistance loan must be able to qualify for a maximum first mortgage from a Participating Lender for the purchase of a property located in the City and County of San Francisco prior to submitting an application for a downpayment assistance loan. Borrowers must have sufficient funds to meet the required down payment, closing costs, and necessary reserves and sufficient income to meet the monthly housing payments. The CPMC DALP loan must take second lien behind the first mortgages.

Allowable Loan Types: The first mortgage must be 30 year fixed rate and fully amortizing mortgage.

**Combined Maximum Loan-to-Value Requirement (CLTV)** cannot exceed 95% of the purchase price, which include the first mortgage; the City's Downpayment Assistance Loan and any other borrowed subordinate financing.

**Debt to Income Ratio:** Borrowers monthly housing debt, including property taxes, property insurance, and if applicable mortgage insurance and homeowner's association dues cannot be less than 33% (front-end-ratio) of the household's gross income. The ratio of monthly housing costs, plus all other household monthly debt (including credit cards, car payments, etc.) cannot exceed 45% (back-end-ratio) of the household's gross income. The back-end-ratio cannot exceed more than 5% of the front-end ratio (for example, the front-end ratio is 33%, the back-end-ratio cannot exceed 38%).

Seller credits are allowed to pay for the buyers' non recurring closing costs only and no cash back to buyer. (Funds must be used in escrow.) The seller credit amount cannot exceed the total nonrecurring closing costs.

5) **Homebuyer Education Requirements:** Borrowers must complete the first-time homebuyer education course through one of MOH's 5 approved housing counseling agencies. A certificate of completion of homebuyer education must be included with the application package. For schedule of the homebuyer course, Borrowers may call or visit the housing counseling agencies

website: <http://sf-moh.org/index.aspx?page=289> Certifications must have been issued within the last 12 months from the date of the application for downpayment assistance.

- 6) **Owner-Occupancy Requirement:** Borrowers must meet the following residency requirements throughout the life of the loan in order to comply with the terms of the downpayment assistance loan:
  - a. The Borrower must occupy the purchased property as their Principal Residence within 60 days after the close of escrow and continuously thereafter, for the term of the loan or until the property is sold.
  - b. Properties eligible to receive downpayment assistance loans must remain owner-occupied throughout the term of the loan. Compliance monitoring will be performed and documented proof of occupancy required at intervals determined by MOH.
- 7) **Household Size Compatibility:** At the time of application, the size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit; a three-person household may purchase a three-bedroom unit.
- 8) **Title Transfer Restriction:** Changes in the title are not permitted. However, deletion of a Borrower or Co-Borrower from title may be allowed in cases of death or divorce.
- 9) **Non-Discrimination and Privacy Requirements:** All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of Borrowers, and should use the information received only for purposes of verifying the Borrowers' eligibility for a downpayment assistance loan.
- 10) **Employment Verification Letter.** Each Borrower must be a Qualified CPMC Employee, and must remain a Qualified CPMC Employee as of the closing date of the CPMC DALP loan. Each Borrower must obtain an employment verification letter from CPMC or provide a paystub, dated within the last 30 days, for the CPMC DALP application package. Upon MOH's receipt of an application for loan assistance under the CPMC DALP, MOH shall follow the procedures set forth in Section 4.d.ii of Exhibit G to the Development Agreement for confirming whether the Borrower is a Qualified CPMC Employee.

**E. PROPERTY ELIGIBILITY REQUIREMENTS**

1. All properties purchased with downpayment assistance loan funds must be single-family residences located in the City and County of San Francisco. The residences must be a single-family, one-unit residence, approved condominiums and townhouses. If the appraisal report indicates there is a bonus room and finished room in the property, the room meets the above bedroom requirements, it will qualify as a bedroom.



2. Sale prices of the property cannot exceed the current maximum purchase price limits established by the MOH Director from time to time. The current maximum purchase price limit is \$637,645.
3. The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.
4. Properties containing Rental Units and "In-Law" units in addition to the unit to be purchased are not eligible for a CPMC DALP loan.
5. Borrower cannot purchase a residential unit in which a No Fault Eviction occurred during the preceding 10 years from the date of Borrower's CPMC DALP application. For purposes of the preceding sentence, a No Fault Eviction shall mean an eviction under San Francisco Administrative Code section 37.9(a)(8) through (13) and (15).
6. Inspection Report Requirement for CPMC DALP - All properties purchased with CPMC DALP downpayment assistance loan program must be inspected by a certified, independent third party home inspector at the Borrower's expense. The inspection report must be acceptable to the Borrower and submitted to MOH along with the CPMC DALP application. All reported deficiencies that pose immediate health and safety hazard must be corrected as a condition prior to any funding of a CPMC DALP Loan. The City of San Francisco will not be held liable for any misrepresentation, false claims or information contained in the inspection report. The City of San Francisco maintains the right to deny the loan, due to the condition of the property. If the first mortgage lender is requiring repairs to the property, you must include a copy of the clearance report prior to close of escrow.

Violations or corrections may be referred to the Mayor's Office of Housing's Lead and Rehabilitation department for evaluation and program qualification - please visit MOH's rehabilitation website for program requirements - <http://sf-moh.org/index.aspx?page=744>

All Borrowers must submit a signed and notarized of **General Release and Waiver of Liability** form along with the CPMC DALP application.

#### E. LOAN TERMS

All downpayment assistance loans must meet the following terms:

1. **Maximum Loan Amount:** The maximum eligible loan cannot exceed the lesser of the following amounts:
  - (a) The Purchase Price of the property less the sum (i) of the maximum mortgage for which the Borrower can qualify.
  - (b) Maximum CPMC DALP loan amount is up to \$200,000 or 45% of the Purchase Price, whichever is less. Qualifying loan amounts are based upon a graduated scale

depending on income levels, adjusted by household size and debt to income ratio. At no time shall the CPMC DALP funds exceed 45% of the total Purchase Price. The maximum loan available per household depends on the household's income in relationship to the Area Median Income (AMI).

2. **Repayment:** The Downpayment Assistance Loan is deferred for forty (40) years from the date of the initial purchase or until the sale of the property or the rental of the property without the prior approval of the City (in accordance with specified temporary rental guidelines). As of the closing date of the sale or rental occurs, the loan is due and payable. The payoff amount due by Borrower is the principal amount of the loan plus the proportional share of the appreciation of the property.

The proportional share shall be based on the ratio of the original downpayment assistance loan amount to the Purchase Price of the property or the fair market value of the property at the time of purchase; whichever is higher (both called hereafter the "Purchase Price"). At the time that the property is sold, rented, refinance or title transfer (except where title transfer is permitted under Section D.8), the City will determine the value of the property at that time (hereafter the "sale price"). The value of the property at sale is the contracted sale price or the Fair Market Value at the time of refinance.

The amount of appreciation is determined by subtracting the original purchase price to the Borrower at the time of purchase from the sales price or fair market value at the time of sale or rental or refinance. The fair market value shall be the sales price or the appraised value of the property at the time of repayment, whichever is higher. If the property value has not increased, the Borrower shall be obligated to repay the principal amount of the loan only.

**Example of share of appreciation:** If the Borrower receives the CPMC DALP loan in the amount of \$200,000 with the purchase price of \$450,000, the proportional share appreciation would be 44%.

<u>\$200,000 CPMC DALP Loan Amount</u>	<u>≡</u>	<u>44% of share Appreciation</u>
<u>\$450,000 Purchase Price</u>		

3. **Prepayment Penalty:** There is no prepayment penalty associated with payment of these loans prior to the due date (sale or rental). However, prepayment must be in full; the loan cannot be partially repaid. If there is a prepayment, the amount due and owing will be determined by appraisal (to determine the amount of appreciation) reasonably acceptable to the MOH Director.

4. **Documentation and Security:** The following documents shall be executed by the Borrower to secure the loan after satisfaction of all requirements for funding:

- a. **Loan Commitment Letter** – ratified by Borrower, accepting the loan terms and conditions, expires in 45 days from the date of the commitment.
- b. **Deed of Trust** - executed at the close of the sale by the Borrower, for the benefit of the City and County of San Francisco to secure the Promissory Note.

c. Promissory Note - executed at the close of the sale by the Borrower for the benefit of the City and County of San Francisco and secured by the Deed of Trust.

5. Compliance with Federal, State and Local Laws and Ordinances: Program funds shall be used in accordance with Federal, State and Local Laws, regulations and directives as they apply.

G. GENERAL LOAN REQUIREMENTS AND POLICIES:

1. Hazard Insurance: For the life of the loan, each Borrower will be required to maintain hazard insurance, including fire and extended coverage with a loss payable endorsement to the City and County of San Francisco.

2. Title Insurance Policy: The outstanding principal balance of the downpayment assistance loan must be covered by an ALTA Lender's Policy of Title Insurance naming the City and County of San Francisco as it interests appear.

3. Non-Discrimination and Privacy Requirements: All borrower eligibility requirements contained in this manual must be applied without regard to the race, creed, color, gender, religion or national origin of the Borrower. Lenders shall be sensitive to the privacy interests of the Borrowers, and should use the information received only for purposes of verifying the borrowers' eligibility for a downpayment assistance loan. It should be noted that all borrowers to the downpayment assistance program are subject to the requirements of the Sunshine ordinance and may have any records provided to the City become a matter of public information upon appropriate request.

H. SAMPLE CALCULATIONS OF ELIGIBILITY:

The following examples illustrate the possible scenarios of funding eligibility for various CPMC DALP amounts given the variables in levels of income, household size, property price, Available Assets, and primary loan amount.

Example :

<u>Total Combined income for a family HH of 3 at 60% AMI:</u>	<u>\$55,600</u>
<u>Purchase price of a property:</u>	<u>\$450,000</u>
<u>Borrower Down Payment -5%</u>	<u>\$22,500</u>
<u>First Mortgage – 51%</u>	<u>\$227,500</u>
<u>CPMC DALP Loan Amount - 44%</u>	<u>\$200,000</u>
<u>Interest Rate:</u>	<u>4.25%</u>
<u>Term:</u>	<u>30 yr</u>
<u>Total Front-End Ratio:</u>	<u>33.51%</u>
<u>Total CLTV:</u>	<u>95.00%</u>

I. SAMPLE CALCULATION OF REPAYMENT OBLIGATION

The following examples illustrate the possible repayment scenarios at resale or refinance:

**Example :**

<u>New FMV or Resale Price:</u>	<u>\$500,000</u>
<u>Original Purchase Price:</u>	<u>(450,000)</u>
<u>Appreciation:</u>	<u>\$ 50,000</u>
<u>Computation of City's Proportional Share City CPMC DALP (\$200,000) / Original Sale Price (\$450,000):</u>	<u>44%</u>
<u>Share of Appreciation 44% x \$50,000:</u>	<u>\$22,000</u>
<u>80% of the Share of Appreciation</u>	<u>\$17,600</u>
<u>Original Principal Amount of CPMC DALP Loan:</u>	<u>\$200,000</u>
<u>TOTAL REPAYMENT AMOUNT DUE:</u>	<u>\$217,600</u>

**J. LENDER'S PROGRAM PROCEDURES**

Eligible Borrowers apply for downpayment assistance loans through Participating Lenders. Participating Lenders may submit applications only after determining that the Borrower is eligible for a first mortgage and appears to be eligible for the CPMC DALP. Borrowers' applications must be completed and submitted with all required attachments, including a ratified purchase agreement for the purchase of a specific property.

The program's processing procedures are designed to coincide with the standard loan processing and underwriting procedures that are in place at most mortgage lending institutions. Recognizing that there are procedural variations among the lenders, the procedures outlined herein may vary somewhat from lender to lender. However, the lender, the City and the Borrower must complete all the steps of processing described in this manual.

The Mayor's Office of Housing will act as the Program Administrator. If the City habitually receives incomplete or incorrect applications from a particular lender, the City may discontinue the use of the lender as participating in the program.

**CPMC DALP PROGRAM PROCESS**

1.

**Borrower's Responsibilities:**

- Borrower will be required to complete an approved first-time homebuyer education course. A copy of Homebuyer Education Certificate must be included with the application package.

- Enters into a purchase agreement.
- Applies to a Participating Lender for Primary Mortgage Loan.
- Provides a signed and dated Loan Application for a Downpayment Assistance Loan (CPMC DALP-1)
- Provides a signed and notarized copy of Income Tax Affidavit (CPMC-DALP 3)-if applicable
- Provides a signed and notarized copy of Unemployed Affidavit-if applicable
- Provides a signed and notarized copy of the First Time Homebuyer Affidavit (CPMC DALP-4).
- Provides a signed and notarized copy of the General Release and Waiver of Liability.
- Provides a signed Homeownership Counseling Consent Form
- Provides income verification documentation as required by the guidelines to establish program eligibility.
- Provides proof of Qualified CPMC Employee status
- Self-employed Co-Borrowers must provide a signed and notarized copy of Self-Employed Affidavit.
  - All Profit and Loss statements from the past 3 years (Schedule C)
  - A notarized estimated Profit and Loss statement for the current year
  - Copies of all invoices and payments made to the Co-Borrower as a part of self-employment in the current calendar year.
- Upon approval of downpayment assistance loan, the Borrower signs a copy of the City's loan commitment letter indicating acceptance.

2. Lender's Responsibilities:

- \* Lender will ensure that participating loan officers receive training from MOH on a regular basis, and keep current on the products available to first time, low-moderate income homebuyers
- \* Lender receives an application from a Borrower who has undergone counseling from a Homebuyer Education Counseling Agency
- \* If a Lender receives an application from a Borrower who does not possess a Homebuyer Education Counseling Certificate, Lender will refer Borrower to a counseling agency to complete the workshop before submitting an application to the City
- \* Lender will work with Borrower and counseling agency to apply for all available subsidies and programs for which the Borrower qualifies.
- \* Performs Standard Lender underwriting process.

Submits to the City:

THE APPLICATION PACKAGE MUST BE BOUND IN LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS

- Program Application received from Borrower [CPMC-DALP 1]
- Fully executed Lender's Certification [CPMC-DALP 2]
- Borrower's household income verification documentation (three current and consecutive pay stubs or provide a copy of current Profit and Loss Statement if self employed).
- Last three years of Federal Income Tax Returns (signed and dated), along with corresponding schedules and W-2s.
- Income Tax Affidavit (if applicable) [CPMC-DALP 3]
- First Time Homebuyer Affidavit [CPMC-DALP 4]
- Homebuyer Education Certificate
- Provides proof of Qualified CPMC Employee status
- Financial Statements (declaration of Assets)

- Gift letter (if applicable)
- Sign IRS Form 4506T.
- Preliminary Title Report
- Wire Instructions
- Receipt for Escrow Deposit
- Ratified Sales Agreement (including all counter offers).
- A copy of Inspection or Contractor Report of the Property
- The General Release and Waiver of Liability.
- Fair Market Value Appraisal
- First mortgage loan application (1003)
- First Mortgage Approval Letter and 1008 form from Lender
- A Copy of Good Faith Estimate (GFE) or Estimated Settlement Statement (HUD-1)
- A copy of Borrower's Credit Report

### 3. City Responsibilities:

- Reviews loan package to ensure completeness of forms and substantiating documentation.
- Evaluates Borrower eligibility.
- MOH will forward a letter of approval (commitment letter) or denial to the lender (via email) within 10 working days of receipt of completed package. From the day of commitment, we will need another 7 working days for funding.
- Borrower must sign the commitment letter and return to the City within 5 working days.
- After we receive the commitment letter back, we will email the escrow instructions and loan documents to the title company.

The following closing documents must deliver to MOH for review before funding:

- The executed original City notes (CPMC DALP Note);
- Certified copy of the executed City deeds (CPMC DALP Deed);
- Certified copy of the Grant Deed;
- Certified copy of the Requested for Copy of Notice of Default;
- Certified copy of the First Deed of Trust;
- Certified copy of the First Note;
- Certificate of homeowner insurance Policy;
- An estimated HUD-1 Settlement Statement; and
- Any other liens behind the City loans.

All the above requested documents must deliver 4 working days in advance before request for funding.

Funds will be wired to the escrow account after we receive all closing documents requested in item 4 by 11 a.m., the fund will be wired in the 4th working days. If we receive the closing documents after 11 a.m. the fund will be wired on the 5<sup>th</sup> working day.

\* Funding as specified in the commitment letter will be placed on reserve for a period of 45 days from date of the commitment. If for any reason, escrow cannot close within the commitment period, the Mayor's Office of Housing need to be notified immediately.

\* Monitors Borrowers throughout the life of the loan to ensure compliance with residency requirements.

All loan packages will be processed by the City according to the date of receipt. All required documents must be included in the application package. Incomplete packages will delay the processing of the application and may be returned for completion.

MOH's approval is final, if the first mortgage loan amount & term changes before close escrow, additional documents must be submitted to City for reassessment of the CPMC DALP loan amount.

CPMC-DALP# 12-  
For MBR use only

MAYOR'S OFFICE OF HOUSING  
CALIFORNIA PACIFIC MEDICAL CENTER  
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)  
TRANSMITTAL FORM

YOU MUST BOUND THE APPLICATION IN A LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS  
A completed Transmittal Form Must Accompany Each Application

<b>Property Address:</b> _____ _____	<b>Name of Borrowers:</b> _____ _____
--	---

The following documents are enclosed as indicated by [ X ], all CPMC-DALP forms must include original signatures:

**Left side of the folder:**

- Preliminary Report (top)
- Retified Purchase Agreement
- Wire Instructions
- Receipt for Escrow Deposit
- First Loan Application-1003 Form signed and dated by the borrower
- Underwriting Summary-1008 Form
- First Loan Approval/Commitment
- Copy of Good Faith Estimate (GFE) or Estimated HUD-1
- Copy of borrower's credit report
- Inspection or contractor report of the property
- Fair Market Appraisal (bottom)

- CPMC-DALP Transmittal Form (top)
- The CPMC-DALP application fee check for \$ \_\_\_\_\_ (cashier's check)
- CPMC-DALP -1 Loan Application
- CPMC-DALP -2 Lender's Certification
- CPMC-DALP -3 Income Tax Affidavit (Must be submitted when applying from Jan 1 through Feb. 28 in lieu of tax return for previous year)
- CPMC-DALP -4 First Time Homebuyer Affidavit
- Proof of Qualified CPMC Employee status
- Homeownership/SF Consent Form
- Homebuyer Education Certificate
  - Aalan, inc.
  - MEDA
  - CCCSSF
  - SFHDC
  - SFLGBT Center

- Borrower(s) three most current & consecutive pay stubs or VOE
- Unemployed Affidavit (if applicable)
- Self-Employed Affidavit (if applicable)
- Signed and dated Profit and Loss Statement
- Complete set of past three year tax returns (signed and dated):
  - 2011 + \_\_\_ W2 Forms.
  - 2010 + \_\_\_ W2 Forms.
  - 2009 + \_\_\_ W2 Forms.
- Form 4506 - Request for copy of Tax Return.
- Last 3 months Bank Statements.
- Gift Letter (if applicable)
- General Release and Waiver of Liability

**Right side of the folder:**

<b>LENDER NAME:</b> _____	<b>EMAIL ADDRESS:</b> _____
<b>BRANCH ADDRESS:</b> _____	
<b>SUBMITTED BY -NAME:</b> _____	<b>TITLE:</b> _____
<b>SIGNATURE:</b> _____	<b>DATE:</b> _____
<b>TELEPHONE:</b> _____	<b>FAX:</b> _____

CPMC-DALP Transmittal Form  
Revised: 6/3/2012



CITY AND COUNTY OF SAN FRANCISCO  
 MAYOR'S OFFICE OF HOUSING  
 CALIFORNIA PACIFIC MEDICAL CENTER  
 DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)  
 One S. Van Ness Avenue, 5<sup>th</sup> Floor  
 San Francisco, CA 94103

**CPMC-DALP-1**

## CPMC-DALP LOAN APPLICATION

PROPERTY ADDRESS \_\_\_\_\_ No. of Bedrooms: \_\_\_\_\_  
 (Property to be purchased)

1. NAME OF BORROWER _____  OCCUPATION _____  S.S. # _____  HOME TEL. # _____  WORK TEL. # _____  Email: _____	2. NAME OF CO-BORROWER _____  OCCUPATION _____  S.S. # _____  HOME TEL. # _____  WORK TEL. # _____  Email: _____
---	--

3. Borrower Ethnicity: American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other \_\_\_\_\_  
 (Optional, for Statistical purposes)

4. Co-Borrower Ethnicity: American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other \_\_\_\_\_  
 (Optional, for Statistical purposes)

5. Household Size \_\_\_\_\_ 6. Head of Household: Female \_\_\_\_\_ Male \_\_\_\_\_ 7. Age of Head of Household \_\_\_\_\_

8. Name, Age and Relationship of all persons or dependents other than named borrowers who will occupy the residence:

Name	Age	Relationship to Borrower	Dependent for Tax Purpose? (Y/N)

9. CURRENT ADDRESS: \_\_\_\_\_  
City State Zip Code

10. PREVIOUS ADDRESSES (If residing at the current address for less than 3 yrs., complete the following):

Address	Date of Residency		Indicate whether was owned, rented or "other"
	Beginning	Ending	

\* All answers of "owned" OR "other" must be fully explained; use additional paper if necessary.

11. INCOME (Gross Annual Income)

Income Sources	Borrower	Co-Borrower	Other HH Members over 18	Total
Base Employment Income				\$
Overtime				
Commissions/Bonuses				
Interest/Dividends				
S. S. Payment/Pension				
Child Support/Alimony				
Other Income				
<b>Total Household Income</b>	\$		\$	\$

12. DETAIL OF PURCHASE

13. ASSETS

A. Purchase Price	\$	Description (List Checking & Savings accounts below)	Cash or Market Value
B. Est. Closing Costs		Checking or Savings Account#	\$
C. Est. Prepaid Escrow		Name of Bank, S & L, or Credit Union	
Total (A+B+C)	\$	Address	
D. Amount of First Mortgage	( )	Checking or Savings Account#	
E. Amount Requested From City <small>(Not to exceed \$200,000 or 45% of purchase price whichever is less)</small>	( )	Name of Bank, S & L, or Credit Union	
F. Other Financing	( )	Address	
G. Other Credits (explain)	( )	Stocks & Bonds (Asset #s/Description)	
H. Amount of Cash Deposit	( )	SUBTOTAL LIQUID ASSETS	
I. Cash from Borrower	\$	Other Assets	

14. DECLARATIONS

(please circle the answers below)

	<u>Borrower</u>		<u>Co-Borrower</u>	
• Are you Qualified CPMC Employee?	Yes	No	Yes	No
• Have you ever owned any property as a principal residence?	Yes	No	Yes	No
• Do you intend to occupy the property within 60 days of close of escrow?	Yes	No	Yes	No
If you answer "yes" to any of the following questions, please provide explanation. (if necessary, attach additional paper)				
• Are there any outstanding judgments against you?	Yes	No	Yes	No
• Have you been declared bankrupt within the past 7 years?	Yes	No	Yes	No

15. ACKNOWLEDGMENT AND AGREEMENT

THE UNDERSIGNED SPECIFICALLY ACKNOWLEDGE (S) AND AGREE (S) THAT: 1) THE LOAN REQUESTED BY THIS APPLICATION WOULD BE SECURED BY A SECOND DEED OF TRUST ON THE PROPERTY DESCRIBED HEREIN, 2) THE PROPERTY WILL BE USED SOLELY AS THE PRINCIPAL RESIDENCE OF THE UNDERSIGNED, 3) ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF OBTAINING A CALIFORNIA PACIFIC MEDICAL CENTER DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP) LOAN FROM THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF A CPMC-DALP LOAN OR WILL BE A DEFAULT UNDER A CPMC-DALP LOAN, AS APPLICABLE.

Borrower's Signature

Date

Co-Borrower's Signature

Date

## LENDER'S CERTIFICATION OF BORROWER ELIGIBILITY

1. \_\_\_\_\_ ("Lender") states the following:

The Lender has accepted and reviewed the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") application for:

\_\_\_\_\_  
(Borrower's Name)  
Who shall be referred to as "Borrower(s)"

\_\_\_\_\_  
(Co-Borrower's Name)  
Who shall be referred to as "Co-Borrower(s)"

\_\_\_\_\_  
(Current Address)

\_\_\_\_\_  
(City, Zip Code)

2. The application was made in connection with Borrower(s) for a first mortgage loan for the purchase of a Principle Residence home (the "Residence") located at:

San Francisco, CA  
(Street Address of Residence to be purchased)

3. The Lender is considering a mortgage loan to the Borrower(s) in the amount of \$ \_\_\_\_\_.

4. The Lender has obtained the Borrower's Application Affidavit, true, complete and signed copies of Borrower's federal tax returns for the three-year period prior to \_\_\_\_\_ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is \_\_\_\_\_ bedroom single-family home, townhouse/condominium (please circle one) located in the City and County of San Francisco and is reasonably expected to become the Borrower's principal residence within sixty (60) days after the escrow is closed.

5. The purchase price for the residence is \$ \_\_\_\_\_ and said amount is within CPMC-DALP limits.

6. The Borrower(s) is/are first time homebuyer, the Borrower(s) has not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

7. The mortgage loan which the Borrower(s) will receive will not be used for acquisition or replacement of an existing mortgage on the residence.

8. No person who is a related person to the Borrower has an interest as a creditor in the mortgage loan to be made for acquisition of the Residence.

9. The Borrower's gross annual household income as defined below is \$ \_\_\_\_\_, which amount is within CPMC-DALP income limits. (Gross income listed should match income noted on Application Affidavit). Verification of income is attached.

10. The Lender has not directly or indirectly attempted to prohibit the Borrower(s) from seeking a mortgage loan from any potential lender, nor attempted to require the Borrower to seek a mortgage loan from a specific lender.

11. The Lender has charged the Borrower(s) only those reasonable fees as would be charged to a potential borrower applying for a mortgage loan not provided in connection with a CPMC-DALP loan.
12. Based upon reasonable investigation, the Lender has no reason to believe that the Borrower(s) has made any negligent, fraudulent or material misstatements in connection with the Borrower's application for a CPMC-DALP loan.
13. The Borrower has a good credit history. The lender had read and verified the Borrower's credit report, and has included a copy of the borrower's credit report with the CPMC-DALP application.

By: \_\_\_\_\_  
(Signature of Lender Representative)

Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Attached: \_\_\_\_\_ Current Paystubs or Income Verification

\_\_\_\_\_ Proof of Qualified CPMC Employee status

\_\_\_\_\_ Profit and Loss Statement (self-employed)

\_\_\_\_\_ Completed set of Past 3 year Tax Returns and W-2 Forms

Other \_\_\_\_\_

#### INCOME DETERMINATION

The gross income of a Borrower (or Borrowers) (as defined by Revenue Ruling 58-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (or Borrowers) and any other person over 18 years of age who is expected to live in the residence being financed. Income includes the income of both spouses.

### INCOME TAX AFFIDAVIT

1. I (We) the undersigned, being first duly sworn, state the following:

(Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)

2. \_\_\_\_\_ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) \_\_\_\_\_ for the reason(s) below:

**Please supply documentation supporting the above explanation.**

3. \_\_\_\_\_ I (We) hereby certify that the application in connection with which I (we) am (are) applying for a loan is occurring between **January 1 and February 28**, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (we) have for 20\_\_\_\_ was \$\_\_\_\_\_ and do not exceed the income limits for the CPMC-DALP, attached is copy of the last paystub or W-2 form for prior tax year.

(Check Paragraph 3 only if the closing for the financing in connection with your application for California Pacific Medical Center Downpayment Assistance Loan Program (CPMC-DALP) loan will occur between January 1 and February 28 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for a CPMC-DALP loan. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a CPMC-DALP loan may constitute a federal violation punishable by a fine and/or denial of my (our) application for a CPMC-DALP loan, or, if a loan has been funded prior to discovery of the false statement will constitute a default under the CPMC-DALP loan and my (our) loan is immediately due and payable, which may be in addition to any criminal penalty imposed by law.

\_\_\_\_\_  
Date of Application

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Signature of Applicant

-----  
State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

Personally appeared \_\_\_\_\_

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

(Notary Seal)

CITY AND COUNTY OF SAN FRANCISCO  
MAYOR'S OFFICE OF HOUSING  
CALIFORNIA PACIFIC MEDICAL CENTER  
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)  
One S. Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103

**CPMC-DALP-4**

### FIRST TIME HOMEBUYER AFFIDAVIT

I (we) understand that I (we) am (are) eligible for the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco only if I (we) individually as Borrower(s) and any resident member of the household as defined by the CPMC-DALP Guidelines are "First Time Homebuyers". In order to qualify as a First Time Homebuyer, I (we) or any resident members of my household have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually; or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.

I (We) certify that I (we) are "First Time Home Buyers" consistent with the above guidelines and definitions as of

\_\_\_\_\_ (date of application)

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Signature of Applicant

.....  
State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

Personally appeared \_\_\_\_\_

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

(Notary Seal)

FTH Affidavit (CPMC-DALP-4)  
Revised: 6/5/2012

**MAYOR'S OFFICE OF HOUSING  
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE**  
MAYOR

**OLSON LEE**  
DIRECTOR

**HOMEOWNERSHIP COUNSELING CONSENT FORM**

The Mayor's Office of Housing requires every adult household member applying for a City administered homeownership assistance program, in connection with the purchase of a residential unit, to:

1. Attend Pre-Purchase Homeownership workshop(s) for a cumulative minimum of 6 hours.
2. Meet with a counselor, from one of the City's participating, non-profit housing counseling agencies, to receive a one-on-one counseling session (see [www.homeownershipsf.org](http://www.homeownershipsf.org) for current list of approved housing counseling agencies.)
3. Receive a Certificate of Completion once requirements 1 and 2 noted above are completed.

I/We understand the Certificate of Completion requirement is in place to ensure first-time homebuyers are educated about the eligibility criteria and policies of the various City administered homeownership assistance programs AND:

- Assessing readiness to buy a home
- Financing a home
- Maintaining a home and finances
- Budgeting and credit
- Selecting a home
- Home-buying process

I/We understand and authorize the Mayor's Office of Housing, its participating non-profit housing counseling agencies and HomeownershipSF to exchange information about my application, including information about my/our final settlement statement, which shall be used for statistical information or funder reports only.

I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for additional services including post purchase counseling which includes budgeting, home maintenance and foreclosure prevention topics. I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for referral/counseling services in case of any financial hardship or loan default.

Name as it will appear on Title:	Signature(s):	Date:

Property to be purchased: (Enter N/A if not yet identified)

Street No.	Street Name:	Unit No.:	San Francisco, CA	Zip code:
			San Francisco, CA	

1 S. Van Ness Ave. - San Francisco, California 94103 • (415) 701-5500 FAX (415) 701-5501

## GENERAL RELEASE AND WAIVER OF LIABILITY

I hereby acknowledge that I am applying for California Pacific Medical Center-Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing.

By participating in this program, I hereby waive any right to recover from, and forever release and discharge City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with, any injury, loss or damage to any person or property in or about the property located at \_\_\_\_\_, San Francisco, CA 94\_\_\_\_\_, that I am about to purchase (the "Property") by or from any cause whatsoever including, without limitation, (i) any act or omission of persons performing work on the Property; (ii) any act or omission of persons occupying adjoining premises or any part of the building adjacent to or connected with the Property, (iii) theft, (iv) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (v) Property defects, and (vi) any other acts, omissions or causes.

In connection with the foregoing release, I expressly waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

I hereby assume full responsibility for all liability and all risk of injury or loss, in connection with the Property.

I affirm that the information I have provided is true; that I have reviewed the rules and regulations of the CPMC-DALP. I further understand that the City and County of San Francisco reserve the right to take appropriate civil and/or criminal action against me for any proven fraudulent use of this CPMC-DALP.

I agree that I have read and understand this General Release and Waiver of Liability.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

State of California  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public (Notary Seal)



**EXHIBIT J**

**List of Approvals**

I. PROJECT-WIDE<sup>+</sup>

A. Environmental Impact Report

1. Planning Commission

- a. Certification of an Environmental Impact Report for the Project (Motion No. \_\_\_\_\_, 18588, adopted \_\_\_\_\_ April 26, 2012).
- b. Adoption of CEQA Findings (including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program) (Motion No. \_\_\_\_\_, 18589, adopted \_\_\_\_\_ April 26, 2012).

2. Board of Supervisors

- a. Affirming the Certification of an Environmental Impact Report for the Project (Motion No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).

B. Development Agreement

1. Planning Commission

Approval and Recommendation to Board Regarding Development Agreement, Including Modifications to Administrative Code Chapter 56 (Resolution No. \_\_\_\_\_ 18602, adopted \_\_\_\_\_ April 26, 2012).

2. Board of Supervisors

Approval of Development Agreement, Including Modifications to Administrative Code Chapter 56 (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012)

3. Municipal Transportation Agency Board

Approval and Authorization of Executive Director to Execute Consent to Development Agreement (Resolution No. \_\_\_\_\_ 12-604, adopted \_\_\_\_\_ May 1, 2012)

C. Other

1. Planning Commission

<sup>+</sup>Including General Plan and Section 101.1 consistency determinations, as applicable.

Adoption of Findings of Consistency with the General Plan and Planning Code Section 101.1 for the Project (Motion No. 18592, adopted April 26, 2012).

II. ST. LUKE'S CAMPUS

A. Planning Commission

1. Recommending Approval of Amendment to General Plan Urban Design Element Height and Bulk Maps (Resolution No. 18590, adopted April 26, 2012).
2. Recommending Approval of Amendment to Planning Code Text and Amendments to Planning Code Height and Bulk District Map and Planning Code Special Use District ("SUD") Map (Resolution No. 18593, adopted April 26, 2012).
3. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the St. Luke's Campus (Motion No. 18594, adopted April 26, 2012).
4. Allocation of Office Space for St. Luke's MOB under Planning Code Sections 321 and 322 (Motion No. 18595, adopted April 26, 2012).
5. Approval of General Plan Referral for Street Vacation for a Portion of San Jose Avenue Between 27th Street and Cesar Chavez Street, Sidewalk-Widening Legislation (Motion No. 18596, adopted April 26, 2012).

B. Department of Public Works

1. Findings and Recommendation of Order of Street Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Order No. 180254, dated May 11, 2012).
2. Endorsement and Recommendation of Approval of Sidewalk Widening Legislation (Order No. 180164, dated April 16, 2012).
3. Approval of a Lot Line Adjustment Merging Vacated San Jose Avenue Parcel and Existing St. Luke's Campus Parcels (Order No.     , dated     , 2012).
4. Approval of Street Tree Removal Permit (Order No.     , dated     , 2012).

C. Metropolitan Transportation Agency Board

1. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. 12-064, adopted May 1, 2012).

D. Board of Supervisors

1. Ordering the Vacation for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
2. Approving San Jose Avenue Transfer Agreement for a Portion of San Jose Avenue between 27th Street and Cesar Chavez Street (Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
3. Amendment of General Plan Urban Design Element Height and Bulk Maps (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
4. Amendment of Planning Code Text (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
5. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
6. Approval of Sidewalk-Widening Legislation (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).

III. CATHEDRAL HILL CAMPUS

A. Planning Commission

1. Recommending Approval of ~~Amendment~~ Amendments to General Plan Van Ness Area Plan Text and ~~Recommending Approval of Amendment to~~ General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Resolution No. 18591, adopted April 26, 2012).
2. Recommending Approval of Amendment to Planning Code Text and Amendment to Planning Code Height and Bulk District Map and Planning Code SUD Map (Resolution No. 18597, adopted April 26, 2012).
3. Approval of a Conditional Use Authorization for the Cathedral Hill Campus (Motion No. 18598, adopted April 26, 2012).

4. Allocation of Office Space for Cathedral Hill MOB under Planning Code Sections 321 and 322 (Motion No. 18599, adopted April 26, 2012).
5. Approval of General Plan Referral for Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) and Sidewalk-Widening Legislation (Motion No. 18600, adopted April 26, 2012).

**B. Department of Public Works**

1. Approval of Lot Line Adjustment Merging Two Parcels Under Cathedral Hill Hospital (Order No.       , approved       , 2012).
2. Approval of Parcel Map merging Seven Parcels under Cathedral Hill MOB (Order No.       , approved       , 2012).
3. Endorsement and Recommendation of Approval of Sidewalk-Widening Legislation (Order No. 180165, approved April 16, 2012).
4. Endorsement and Recommendation of Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tank, Cedar Street Improvements) (Order No. 180262, approved May 15, 2012).
5. Approval of Street Tree Removal Permit (Order No.       , approved       , 2012).

**C. Municipal Transportation Agency Board**

1. Approval of Cedar Street Conversion West of Cathedral Hill MOB Entrance from One-Way to Two-Way (Resolution No. 12-064, adopted May 1, 2012).
2. Approval of removal of and changes to street parking, including bus stop relocations (Resolution No. 12-064, adopted May 1, 2012).

**D. Department of Building Inspection**

1. Permit to Convert residential hotel units (approved       , 2012).

**E. Board of Supervisors**

1. Amendment of General Plan Van Ness Area Plan Text (Ordinance No.       , adopted       , 2012).

2. Amendment of General Plan Urban Design Element Height and Bulk Maps and Van Ness Area Plan Maps (Ordinance No.\_\_\_\_, adopted \_\_\_\_\_, 2012).
3. Amendment of Planning Code Text (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
4. Amendment of Planning Code Height and Bulk District Map and Planning Code SUD Map (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).
5. Approval of Major Encroachment Permit (Construction of Underground Tunnel, Underground Fuel Tanks, Cedar Street Improvements) (Resolution No.\_\_\_\_\_, approved \_\_\_\_\_, 2012).
6. Approval of Sidewalk-Widening Legislation (Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2012).

**IV. DAVIES CAMPUS**

**A. Planning Commission**

1. Approval of Amendment to the Existing Conditional Use/Planned Unit Development for the Davies Campus (Motion No. 18601, adopted April 26, 2012)

**B. Department of Public Works**

1. Approval of a street tree removal permit (approved \_\_\_\_\_, 2012).

<b>Summary Report:</b>	
<b>Litera Change-Pro ML 6.5.0.341 Document Comparison done on 6/20/2012 2:51:36 PM</b>	
<b>Style Name:</b> Default Style	
<b>Original Filename:</b>	
<b>Original DMS:</b> iw://CPDBIWOVEN/WorkSite/2066714/1	
<b>Modified Filename:</b>	
<b>Modified DMS:</b> iw://CPDBIWOVEN/WorkSite/2089977/1	
<b>Changes:</b>	
Add	54
Delete	50
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
<b>Total Changes:</b>	<b>104</b>

**EXHIBIT K**

**Transportation Program**

The Transportation Program includes payments to the San Francisco Municipal Transportation Agency ("SFMTA") to: (1) contribute to the cost of construction of the Proposed Van Ness and Geary Bus Rapid Transit improvements; (2) to address transit delay impacts on MUNI of the New Cathedral Hill campus; and (3) support SFMTA's bicycle circulation studies, as described below. All initially capitalized terms have the meaning given in the Definitions section of the Agreement unless otherwise defined in this Exhibit K.

**1. BRT Contribution**

- a. CPMC will pay Five Million Dollars (\$5,000,000) to SFMTA to contribute to the cost of construction of the proposed Van Ness Avenue Bus Rapid Transit and the Geary Corridor Bus Rapid Transit improvements to be located adjacent to the New Cathedral Hill Campus (collectively, the "BRT"). The Five Million Dollar (\$5,000,000) BRT contribution will be paid as follows: (a) Two Million Dollars (\$2,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2014; (b) Two Million Dollars (\$2,000,000) on or before thirty (30) days after the later of the date the Approvals are Finally Granted and July 30, 2015; and (c) One Million Dollars (\$1,000,000) on or before the later of thirty (30) days after the date the Approvals are Finally Granted and July 30, 2016.
- b. SFMTA shall use the BRT contributions for hard or soft costs of planning, administration and construction associated with the BRT improvements to be constructed or installed in the Geary/Van Ness public rights of ways adjacent to the Cathedral Hill Campus. CPMC shall have no obligation for BRT costs above the BRT contribution set forth above. The City shall be responsible for all costs associated with the BRT improvements undertaken by the City that exceed this contribution, provided that City shall have no obligation to construct any specific BRT improvements or to spend any City funds thereon beyond the BRT contributions made by CPMC.
- c. SFMTA shall have the right, in its sole discretion, to determine how and where to apply the BRT contribution, with the only restriction being that SFMTA must use the funds for BRT purposes as set forth above. CPMC shall have no right to challenge the appropriateness or the amount of any expenditure, so long as it is used for BRT purposes as set forth above.

**2. SFMTA Fee**

- a. CPMC will pay a fee to the SFMTA (the "SFMTA Fee") as set forth in this section, in addition to any parking fees, charges, taxes or assessments levied on vehicles or their owners parking in the Cathedral Hill Hospital and Cathedral Hill MOB garages that CPMC will be required to collect on behalf of the City. The SFMTA Fee will be Fifty Cents (\$0.50) for each vehicle entry and each vehicle exit during off-peak hours, and Seventy-Five Cents (\$0.75) for each vehicle entry

and each vehicle exit during peak hours. The SFMTA Fee, whether or not passed on by CPMC to vehicle operators, will not be considered "rent" under Section 601 of the San Francisco Business and Tax Revenue Code, and shall not be subject to tax. Peak hours shall be weekdays between 7:00 am and 9:00 am and between 4:00 pm and 6:00 pm. The SFMTA Fee program shall be effective for each new garage at the Cathedral Hill Hospital and Cathedral Hill MOB on the date of opening of that garage for public use and operations and continue for 10 years thereafter. Accordingly, the 10-year expiration date shall be different for each garage (assuming that they each open on different dates). The SFMTA Fee shall not apply to deliveries and short term drop-offs, turn-arounds and others provided with a short courtesy entry and exit, but it shall apply to any free parking offered to CPMC employees, contractors or agents.

- b. The SFMTA Fee (per vehicle entry and exit) shall increase by six percent (6%) on the second anniversary of the opening of each respective garage for public use and operations, and again by six percent (6%) on each second anniversary thereafter, for so long as the SFMTA Fee is payable.
- c. Within fifteen (15) days following the end of each calendar month in which the SFMTA Fee applies, CPMC shall send to SFMTA a statement (the "**Parking Fee Statement**") of the total number of cars entering and exiting the garages, the times of entry and exit (expressed as a total number of vehicles each day that entered and exited during peak hours and off-peak hours), and the total SFMTA Fee for the preceding calendar month, together with payment of the applicable SFMTA Fee payment. The Parking Fee Statement and SFMTA Fee payments shall go to: Director of Finance, San Francisco Municipal Transportation Agency, One South Van Ness Avenue, 8th Floor, San Francisco, California 94103.
- d. SFMTA shall have the right to use the SFMTA Fee for any purpose consistent with SFMTA's enterprise.
- e. The parties agree to meet and confer, and to cooperate and act in good faith to implement the SFMTA Fee program as described above and to ensure that the appropriate fee amounts are being collected at all times and paid to SFMTA. If necessary, as part of such implementation, SFMTA may require additional reasonable procedures to monitor the collection and payment of the correct fee amounts. CPMC shall require any third party garage operator to maintain appropriate records with respect to the same.
- f. CPMC shall maintain books and records for the SFMTA Fee in an accurate manner according to generally accepted accounting principles consistently applied, to allow a proper determination of SFMTA Fee due from CPMC each month. CPMC shall maintain all such books and records for a period of not less than 4 years from the end of each calendar year.
- g. CPMC agrees to make its parking garage operation books and records available to City, or to any auditor or representative designated by City, upon no less than



ten (10) days prior written notice to CPMC, for the purpose of examining the books and records to determine the accuracy of CPMC's reporting of the SFMTA Fee. CPMC shall cooperate with the City's auditor during the course of any audit. Any such audit may be conducted, at City's cost, by the City Controller or his or her designee or by an independent accounting firm selected by City. During any such audit, the City and its auditor shall not disrupt CPMC's operations in the garages.

3. **Transit Fee**

For the Near Term Projects, CPMC will pay a transit impact fee to SFMTA in the total amount of Ten Million Four Hundred Fifty-Four Thousand One Hundred Ninety-Eight Dollars and Fifty-Four Cents (\$10,454,198.54) ("**Transit Fee**"). The Transit Fees are net of the elimination of prior uses, including the demolition of the existing Cathedral Hill office building on the Cathedral Hill Hospital Site, various retail, office, restaurant, residential and other uses on the Cathedral Hill MOB Site, and the existing St. Luke's Hospital tower on the St. Luke's Campus, respectively. The Transit Fee shall be paid as follows, on the date that is 30 days after:

- a. Commencement of Construction of the Cathedral Hill Hospital, Six Million Nine Hundred Seventeen Thousand Five Hundred Fifty-Six Dollars and Thirty-Six Cents (\$6,917,556.36);
- b. Commencement of Construction of the Cathedral Hill MOB, Two Million Three Hundred Twenty-Six Thousand Four Hundred Forty-Eight Dollars and Fifty-Eight Cents (\$2,326,448.58);
- c. Commencement of Construction of the St. Luke's MOB, Five Hundred Ninety-Eight Thousand Three Hundred Thirteen Dollars and Eighty Cents (\$598,313.80); and
- d. Commencement of Construction of the Neurosciences Building on the Davies Campus, Six Hundred Eleven Thousand Eight Hundred Seventy-Nine Dollars and Eighty Cents (\$611,879.80).

For the Long Term Projects, to the extent CPMC is subject to and not otherwise exempt from transit-related Impact Fees and Exactions in effect at the time of assessment, any grandfathering exemption arising because of an earlier filed application for environmental evaluation or preliminary project assessment, shall not be considered to apply to a Long Term Project. CPMC shall pay all such transit-related Impact Fees and Exactions.

The Transit Fee is intended to compensate the SFMTA for the cost of providing services needed to mitigate transit delay impacts on MUNI buses associated with the demand generated by the Project as identified in the FEIR. The Transit Fee, and any transit-related Impact Fee and Exaction, are not tied to any particular service or improvement, and CPMC shall have no right to assert or insist upon their use by SFMTA in any particular manner.

4. **Bicycle Studies**

CPMC shall pay to SFMTA the total sum of Four Hundred Thousand Dollars (\$400,000) within thirty (30) days after the Effective Date (the "**Bicycle Studies Contribution**").

SFMTA shall use the Bicycle Studies Contribution, in its discretion, to:

- a. Develop preferred bicycle routes between the CPMC campuses, recommend improvements, and to the extent possible improve the quality of existing bicycle facilities;
- b. Develop design alternatives for improved bicycle facilities on Polk Street, in the vicinity of the new Cathedral Hill Campus;
- c. Develop traffic calming proposals along the 'Wiggle' (i.e., the approximately one-mile zig-zagging bicycle route from Market Street to Golden Gate Park that minimizes hilly inclines) to encourage the safe co-existence of people walking and riding bicycles; and
- d. Design traffic calming improvements along 26th Street between Valencia Street and Potrero Avenue to discourage spillover traffic from Cesar Chavez Street and to provide an alternative to Cesar Chavez Street for people walking and riding bicycles.

5. **Board Authorization and Appropriation.**

By approving the Agreement, including this Exhibit, the Board of Supervisors authorizes SFMTA to accept the funds paid by CPMC as set forth in this Exhibit, to maintain separate interest bearing accounts as contemplated in this Exhibit, and to appropriate the funds, including interest and earnings, for purposes described in this Exhibit for the term of the Agreement. Any interest earned on the accounts created under the terms of this Exhibit shall remain in the designated accounts for use consistent with the identified purpose and shall not be transferred to the City's General Fund.

DRAFT  
6/20/2012



RECORDING REQUESTED BY  
CLERK OF THE BOARD OF SUPERVISORS  
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees  
Pursuant to Government Code  
Section 27383)

AND WHEN RECORDED MAIL TO:

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

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2012 JUN 21 PM 4:41  
PC

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

CPMC-DALP# 12-

For MOH use only

MAYOR'S OFFICE OF HOUSING  
CALIFORNIA PACIFIC MEDICAL CENTER  
DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)  
TRANSMITTAL FORM

YOU MUST BOUND THE APPLICATION IN A LEGAL SIZE MANILA FOLDER WITH TWO FASTENERS  
A completed Transmittal Form Must Accompany Each Application

<b>Property Address:</b> _____ _____	<b>Name of Borrowers:</b> _____ _____
--	---

The following documents are enclosed as indicated by [ X ], all CPMC-DALP forms must include original signatures:

**Left side of the folder:**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Preliminary Report (top)  | <input type="checkbox"/> CPMC-DALP Transmittal Form (top)   | <input type="checkbox"/> Borrower(s) three most current & consecutive pay stubs or VOE   |
| <input type="checkbox"/> Ratified Purchase Agreement                                       | <input type="checkbox"/> The CPMC-DALP application fee check for \$ _____ (cashier's check)   | <input type="checkbox"/> Unemployed Affidavit (if applicable)                            |
| <input type="checkbox"/> Wire Instructions   | <input type="checkbox"/> CPMC-DALP -1 Loan Application  | <input type="checkbox"/> Self-Employed Affidavit (if applicable)                         |
| <input type="checkbox"/> Receipt for Escrow Deposit  | <input type="checkbox"/> CPMC-DALP -2 Lender's Certification  | <input type="checkbox"/> Signed and dated-Profit and Loss Statement                      |
| <input type="checkbox"/> First Loan Application-1003 Form signed and dated by the borrower | <input type="checkbox"/> CPMC-DALP -3 Income Tax Affidavit (Must be submitted when applying from Jan 1 through Feb. 28 in lieu of tax return for previous year) | <input type="checkbox"/> Complete set of past three year tax returns (signed and dated): |
| <input type="checkbox"/> Underwriting Summary-1008 Form                                    | <input type="checkbox"/> CPMC-DALP -4 First Time Homebuyer Affidavit  | <input type="radio"/> 2011 + ___ W2 Forms,   |
| <input type="checkbox"/> First Loan Approval/Commitment                                    | <input type="checkbox"/> Proof of Qualified CPMC Employee status  | <input type="radio"/> 2010 + ___ W2 Forms,   |
| <input type="checkbox"/> Copy of Good Faith Estimate (GFE) or Estimated HUD-1              | <input type="checkbox"/> HomeownershipSF Consent Form   | <input type="radio"/> 2009 + ___ W2 Forms.   |
| <input type="checkbox"/> Copy of borrower's credit report                                  | <input type="checkbox"/> Homebuyer Education Certificate  | <input type="checkbox"/> Form 4506 – Request for copy of Tax Return.                     |
| <input type="checkbox"/> Inspection or contractor report of the property                   | <input type="checkbox"/> Asian, Inc.  | <input type="checkbox"/> Last 3 months Bank Statements.                                  |
| <input type="checkbox"/> Fair Market Appraisal (bottom)                                    | <input type="checkbox"/> MEDA   | <input type="checkbox"/> Gift Letter (if applicable)                                     |
|  | <input type="checkbox"/> CCCSSF   | <input type="checkbox"/> General Release and Waiver of Liability                         |
|  | <input type="checkbox"/> SFHDC  |  |
|  | <input type="checkbox"/> SFLGBT Center  |  |

**Right side of the folder:**

<b>LENDER NAME:</b> _____	<b>EMAIL ADDRESS:</b> _____
<b>BRANCH ADDRESS:</b> _____	
<b>SUBMITTED BY -NAME:</b> _____	<b>TITLE:</b> _____
<b>SIGNATURE:</b> _____	<b>DATE:</b> _____
<b>TELEPHONE:</b> _____	<b>FAX:</b> _____

CITY AND COUNTY OF SAN FRANCISCO  
 MAYOR'S OFFICE OF HOUSING  
 CALIFORNIA PACIFIC MEDICAL CENTER  
 DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP)  
 One S. Van Ness Avenue, 5<sup>th</sup> Floor  
 San Francisco, CA 94103

## CPMC-DALP LOAN APPLICATION

**PROPERTY ADDRESS** \_\_\_\_\_ **No. of Bedrooms:** \_\_\_\_\_  
 (Property to be purchased)

1. <b>NAME OF BORROWER</b> _____  <b>OCCUPATION</b> _____  <b>S.S. #</b> _____  <b>HOME TEL. #</b> _____  <b>WORK TEL. #</b> _____  <b>Email:</b> _____	2. <b>NAME OF CO-BORROWER</b> _____  <b>OCCUPATION</b> _____  <b>S.S. #</b> _____  <b>HOME TEL. #</b> _____  <b>WORK TEL. #</b> _____  <b>Email:</b> _____
---	--

3. **Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other \_\_\_\_\_  
 (Optional, for Statistical purposes)

4. **Co-Borrower Ethnicity:** American Indian or Alaskan Native African American Asian or Pacific Islander White Hispanic Other \_\_\_\_\_  
 (Optional, for Statistical purposes)

5. **Household Size** \_\_\_\_\_ 6. **Head of Household:** Female \_\_\_ Male \_\_\_ 7. **Age of Head of Household** \_\_\_\_\_

8. **Name, Age and Relationship of all persons or dependents other than named borrowers who will occupy the residence:**

Name	Age	Relationship to Borrower	Dependent for Tax Purpose? (Y/N)

9. **CURRENT ADDRESS:** \_\_\_\_\_ **City** \_\_\_\_\_ **State** \_\_\_\_\_ **Zip Code** \_\_\_\_\_

10. **PREVIOUS ADDRESSES** (If residing at the current address for less than 3 yrs., complete the following):

Address	Date of Residency		Indicate whether was owned, rented or "other"*
	Beginning	Ending	

\* All answers of "owned" OR "other" must be fully explained; use additional paper if necessary.

11. **INCOME** (Gross Annual Income)

Income Sources	Borrower	Co-Borrower	Other HH Members over 18	Total
Base Employment Income				\$
Overtime				
Commissions/Bonuses				
Interest/Dividends				
S. S. Payment/Pension				
Child Support/Alimony				
Other Income				
<b>Total Household Income</b>	\$		\$	\$

**12. DETAIL OF PURCHASE**

**13. ASSETS**

A. Purchase Price	\$	Description (List Checking & Savings accounts below)	Cash or Market Value
B. Est. Closing Costs		Checking or Savings Account #	\$
C. Est. Prepaid Escrow		Name of Bank, S & L, or Credit Union	
Total (A+B+C)	\$	Address	
D. Amount of First Mortgage	( )	Checking or Savings Account #	
E. Amount Requested From City <small>Not to exceed \$200,000 or 45% of purchase price whichever is less</small>	( )	Name of Bank, S & L, or Credit Union	
F. Other Financing	( )	Address	
G. Other Credits (explain)	( )	Stocks & Bonds (Acct. No./Description)	
H. Amount of Cash Deposit	( )	SUBTOTAL LIQUID ASSETS	
I. Cash from Borrower	\$	Other Assets	

**14. DECLARATIONS**

(please circle the answers below)

- |   | <u><b>Borrower</b></u> |    | <u><b>Co-Borrower</b></u> |    |
|---|------------------------|----|---------------------------|----|
| • Are you Qualified CPMC Employee?  | Yes                    | No | Yes                       | No |
| • Have you ever owned any property as a principal residence?              | Yes                    | No | Yes                       | No |
| • Do you intend to occupy the property within 60 days of close of escrow? | Yes                    | No | Yes                       | No |

If you answer "yes" to any of the following questions, please provide explanation.  
(if necessary, attach additional paper)

- |  |     |    |     |    |
|--|-----|----|-----|----|
| • Are there any outstanding judgments against you?         | Yes | No | Yes | No |
| • Have you been declared bankrupt within the past 7 years? | Yes | No | Yes | No |

**15. ACKNOWLEDGMENT AND AGREEMENT**

THE UNDERSIGNED SPECIFICALLY ACKNOWLEDGE (S) AND AGREE (S) THAT: 1) THE LOAN REQUESTED BY THIS APPLICATION WOULD BE SECURED BY A SECOND DEED OF TRUST ON THE PROPERTY DESCRIBED HEREIN, 2) THE PROPERTY WILL BE USED SOLELY AS THE PRINCIPAL RESIDENCE OF THE UNDERSIGNED, 3) ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF OBTAINING A CALIFORNIA PACIFIC MEDICAL CENTER DOWNPAYMENT ASSISTANCE LOAN PROGRAM (CPMC-DALP) LOAN FROM THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF A CPMC-DALP LOAN OR WILL BE A DEFAULT UNDER A CPMC-DALP LOAN, AS APPLICABLE.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Date

## LENDER'S CERTIFICATION OF BORROWER ELIGIBILITY

1. \_\_\_\_\_ ("Lender") states the following:

The Lender has accepted and reviewed the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") application for:

\_\_\_\_\_  
Who shall be referred to as "Borrower(s)" (Borrower's Name)

\_\_\_\_\_  
Who shall be referred to as "Co-Borrower(s)" (Co-Borrower's Name)

\_\_\_\_\_  
(Current Address)

\_\_\_\_\_  
(City, Zip Code)

2. The application was made in connection with Borrower(s) for a first mortgage loan for the purchase of a Principle Residence home (the "Residence") located at:

San Francisco, CA  
\_\_\_\_\_  
(Street Address of Residence to be purchased)

3. The Lender is considering a mortgage loan to the Borrower(s) in the amount of \$\_\_\_\_\_.

4. The Lender has obtained the Borrower's Application Affidavit, true, complete and signed copies of Borrower's federal tax returns for the three-year period prior to \_\_\_\_\_ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is \_\_\_\_\_ bedroom single-family home, townhouse/condominium (please circle one) located in the City and County of San Francisco and is reasonably expected to become the Borrower's principal residence within sixty (60) days after the escrow is closed.

5. The purchase price for the residence is \$\_\_\_\_\_ and said amount is within CPMC-DALP limits.

6. The Borrower(s) is/are first time homebuyer, the Borrower(s) has not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

7. The mortgage loan which the Borrower(s) will receive will not be used for acquisition or replacement of an existing mortgage on the residence.

8. No person who is a related person to the Borrower has an interest as a creditor in the mortgage loan to be made for acquisition of the Residence.

9. The Borrower's gross annual household income as defined below is \$\_\_\_\_\_, which amount is within CPMC-DALP income limits. (Gross income listed should match income noted on Application Affidavit). Verification of income is attached.

10. The Lender has not directly or indirectly attempted to prohibit the Borrower(s) from seeking a mortgage loan from any potential lender, nor attempted to require the Borrower to seek a mortgage loan from a specific lender.

11. The Lender has charged the Borrower(s) only those reasonable fees as would be charged to a potential borrower applying for a mortgage loan not provided in connection with a CPMC-DALP loan.
12. Based upon reasonable investigation, the Lender has no reason to believe that the Borrower(s) has made any negligent, fraudulent or material misstatements in connection with the Borrower's application for a CPMC-DALP loan.
13. The Borrower has a good credit history. The lender had read and verified the Borrower's credit report, and has included a copy of the borrower's credit report with the CPMC-DALP application.

By: \_\_\_\_\_  
(Signature of Lender Representative)

Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Attached: \_\_\_\_\_ Current Paystubs or Income Verification

\_\_\_\_\_ Proof of Qualified CPMC Employee status

\_\_\_\_\_ Profit and Loss Statement (self-employed)

\_\_\_\_\_ Completed set of Past 3 year Tax Returns and W-2 Forms

Other \_\_\_\_\_

**INCOME DETERMINATION**

The gross income of a Borrower (or Borrowers) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the Borrower's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the Borrower (or Borrowers) and any other person over 18 years of age who is expected to live in the residence being financed. Income includes the income of both spouses.



### INCOME TAX AFFIDAVIT

1. I (We) the undersigned, being first duly sworn, state the following:

(Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)

2. \_\_\_\_\_ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) \_\_\_\_\_ for the reason(s) below:

**Please supply documentation supporting the above explanation.**

3. \_\_\_\_\_ I (We) hereby certify that the application in connection with which I (we) am (are) applying for a loan is occurring between **January 1 and February 28**, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (we) have for 20\_\_\_\_ was \$ \_\_\_\_\_ and do not exceed the income limits for the CPMC-DALP, attached is copy of the last paystub or W-2 form for prior tax year.

(Check Paragraph 3 only if the closing for the financing in connection with your application for California Pacific Medical Center Downpayment Assistance Loan Program (CPMC-DALP) loan will occur between January 1 and February 28 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

4. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for a CPMC-DALP loan. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a CPMC-DALP loan may constitute a federal violation punishable by a fine and/or denial of my (our) application for a CPMC-DALP loan, or, if a loan has been funded prior to discovery of the false statement will constitute a default under the CPMC-DALP loan and my (our) loan is immediately due and payable, which may be in addition to any criminal penalty imposed by law.

\_\_\_\_\_ Date of Application                      \_\_\_\_\_ Signature of Applicant                      \_\_\_\_\_ Signature of Applicant

\*\*\*\*\*  
State of California  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

Personally appeared \_\_\_\_\_

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public (Notary Seal)

### FIRST TIME HOMEBUYER AFFIDAVIT

I (we) understand that I (we) am (are) eligible for the California Pacific Medical Center Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco only if I (we) individually as Borrower(s) and any resident member of the household as defined by the CPMC-DALP Guidelines are "First Time Homebuyers". In order to qualify as a First Time Homebuyer, I (we) or any resident members of my household have not owned interest in a dwelling unit, commercial real estate or land for the last three years prior to the CPMC DALP loan application submittal date.

An ownership interest is defined as a fee simple ownership interest, including but not limited to an interest held individually; or a joint ownership interest by joint tenancy, tenancy in common, community property or a life estate interest.

I (We) certify that I (we) are "First Time Home Buyers" consistent with the above guidelines and definitions as of \_\_\_\_\_ (date of application)

\_\_\_\_\_  
Signature of Applicant                      Signature of Applicant

\*\*\*\*\*

State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

Personally appeared \_\_\_\_\_

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

(Notary Seal)

**MAYOR'S OFFICE OF HOUSING  
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE**  
MAYOR

**OLSON LEE**  
DIRECTOR

**HOMEOWNERSHIP COUNSELING CONSENT FORM**

The Mayor's Office of Housing requires every adult household member applying for a City administered homeownership assistance program, in connection with the purchase of a residential unit, to:

1. Attend Pre-Purchase Homeownership workshop(s) for a cumulative minimum of 6 hours.
2. Meet with a counselor, from one of the City's participating, non-profit housing counseling agencies, to receive a one-on-one counseling session (see [www.homeownershipsf.org](http://www.homeownershipsf.org) for current list of approved housing counseling agencies.)
3. Receive a Certificate of Completion once requirements 1 and 2 noted above are completed.

I/We understand the Certificate of Completion requirement is in place to ensure first-time homebuyers are educated about the eligibility criteria and policies of the various City administered homeownership assistance programs AND:

- Assessing readiness to buy a home
- Financing a home
- Maintaining a home and finances
- Budgeting and credit
- Selecting a home
- Home-buying process

I/We understand and authorize the Mayor's Office of Housing, its participating non-profit housing counseling agencies and HomeownershipSF to exchange information about my application, including information about my/our final settlement statement, which shall be used for statistical information or funder reports only.

I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for additional services including post purchase counseling which includes budgeting, home maintenance and foreclosure prevention topics. I/We agree to be contacted by HomeownershipSF and/or its member, non-profit housing counseling agencies for referral/counseling services in case of any financial hardship or loan default.

Name as it will appear on Title:	Signature(s):	Date:

**Property to be purchased: (Enter N/A if not yet identified)**

Street No.	Street Name:	Unit No.:	San Francisco, CA	Zip code:
			San Francisco, CA	

**GENERAL RELEASE AND WAIVER OF LIABILITY**

I hereby acknowledge that I am applying for California Pacific Medical Center-Downpayment Assistance Loan Program ("CPMC-DALP") from the City and County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing.

By participating in this program, I hereby waive any right to recover from, and forever release and discharge City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with, any injury, loss or damage to any person or property in or about the property located at \_\_\_\_\_, San Francisco, CA 94\_\_\_\_, that I am about to purchase (the "Property") by or from any cause whatsoever including, without limitation, (i) any act or omission of persons performing work on the Property; (ii) any act or omission of persons occupying adjoining premises or any part of the building adjacent to or connected with the Property, (iii) theft, (iv) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (v) Property defects, and (vi) any other acts, omissions or causes.

In connection with the foregoing release, I expressly waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

I hereby assume full responsibility for all liability and all risk of injury or loss, in connection with the Property.

I affirm that the information I have provided is true; that I have reviewed the rules and regulations of the CPMC-DALP. I further understand that the City and County of San Francisco reserve the right to take appropriate civil and/or criminal action against me for any proven fraudulent use of this CPMC-DALP.

I agree that I have read and understand this General Release and Waiver of Liability.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\*\*\*\*\*

State of California  
County of \_\_\_\_\_)

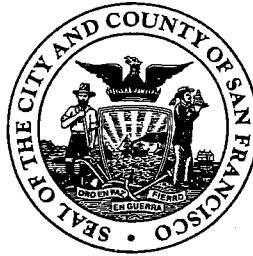
On \_\_\_\_\_ before me, \_\_\_\_\_  
(Here insert name and title of the officer)

personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
(Notary Seal)  
Signature of Notary Public



## NOTICE OF PUBLIC HEARING

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE & ECONOMIC DEVELOPMENT COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Economic Development Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Friday, June 15, 2012

**Time:** 10:00 a.m.

**Location:** Legislative Chamber, Room 250 located at City Hall  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

**Subject:** California Pacific Medical Center Long Range Development Plan

**120357 Planning Code - Increase Maximum Floor Area Ratios and Create the Van Ness Medical Use Subdistrict Within the Van Ness Special Use District - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco Planning Code by: 1) amending Section 124 to allow a floor area ratio of 9:1 for a hospital and 7.5:1 for a medical office building within the Van Ness Special Use District, Medical Use Subdistrict; 2) amending Section 243 to include the establishment of the Van Ness Medical Use Subdistrict and associated controls; and 3) adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120358 Planning Code - Increase Maximum Permitted Floor Area Ratio and Establish the Cesar Chavez/Valencia Streets Medical Use Special Use District - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the San Francisco Planning Code by: 1) adding Section 124(k) to allow a floor area ratio of 2.5 to 1 in the Cesar Chavez/Valencia Streets Medical Use Special Use District; 2) adding Section 249.68 to establish the Cesar Chavez/Valencia Streets Medical Use Special Use District; and 3) adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120359      Zoning Map - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco Planning Code Sectional Maps SU02 and HT02 of the Zoning Map of the City and County of San Francisco to: 1) reflect the creation of the Van Ness Medical Use Subdistrict at Assessor's Block Nos. 0695 (Lot Nos. 005, 006) and 0694 (Lot Nos. 005, 006, 007, 008, 009, 009A, 010); 2) allow an increase in height at Assessor's Block No. 0695 (Lot Nos. 005, 006) in order to allow for a new seismically safe hospital; and 3) adopt findings, including environmental findings, Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120360      Zoning Map - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the San Francisco Planning Code Sectional Maps SU07 and HT07 of the Zoning Map of the City and County of San Francisco to: 1) reflect the creation of the Cesar Chavez/Valencia Streets Medical Use Special Use District at the California Pacific Medical Center's St. Luke's Campus (Block No. 6575, Lot Nos. 001 and 002; Block No. 6576, Lot No. 021; and a portion of San Jose Avenue between Cesar Chavez and 27th Streets); 2) allow an increase in height throughout the western portion of the California Pacific Medical Center's St. Luke's Campus (Block No. 6576, Lot No. 021; and a portion of San Jose Avenue between Cesar Chavez and 27th Streets) in order to allow for a new seismically safe replacement hospital; and 3) adopt findings, including environmental findings, Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120361      Summary Street Vacation - Portion of San Jose Avenue - California Pacific Medical Center: St. Luke's Campus**

Ordinance ordering the summary street vacation of a portion of San Jose Avenue, between 27th Street and Cesar Chavez Street; rescinding an existing encroachment permit; adopting environmental findings pursuant to the California Environmental Quality Act and findings that the action contemplated herein are consistent with the San Francisco General Plan and eight priority policies of San Francisco Planning Code Section 101.1; and authorizing official acts in connection with this ordinance.

**120362      Street Encroachments - Van Ness Avenue, Cedar Street, and Geary Boulevard - California Pacific Medical Center: Cathedral Hill Campus**

Resolution: 1) granting revocable permission to the California Pacific Medical Center to a) occupy a portion of the public right-of way on Van Ness Avenue in order to construct and maintain a pedestrian tunnel under Van Ness Avenue (State Highway 101) to connect the new medical office building and the new hospital located at 1100 and 1101 Van Ness Avenue respectively; b) construct and maintain off-site improvements on the north side of Cedar Street between Van Ness Avenue and Polk Street, across the street from the medical office building and on the south side of Cedar Street contiguous to the property at 1001 Polk Street (Block No. 0694, Lot No. 004), including reconstructing and widening the existing sidewalk, installing new landscaping and reconstructing the existing roadway with pavers; and c) install and maintain two 30,000 gallon diesel fuel tanks within the public right of way under Geary Boulevard between Franklin Street and Van Ness Avenue, in order to serve the hospital at 1101 Van Ness Avenue; and 2) making environmental findings and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120363 Land Transf Agreement - Sale of a Portion of 5 Jose Avenue Between 27<sup>th</sup> Street and Cesar Chavez Street - Sutter West Bay Hospitals - California Pacific Medical Center: St. Luke's Campus**

Resolution authorizing the Director of Property to execute a Land Transfer Agreement with Sutter West Bay Hospitals, doing business as California Pacific Medical Center, for the future conveyance by the City and County of San Francisco to California Pacific Medical Center of real property consisting of a portion of San Jose Avenue between 27<sup>th</sup> Street and Cesar Chavez Street; and making findings, including findings under the California Environmental Quality Act and findings of consistency with the General Plan and Planning Code Section 101.1.

**120364 Changing the Official Sidewalk Widths - Portions of Post Street, Geary Boulevard, Geary Street, Cedar Street, Franklin Street, and Van Ness Avenue - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance: 1) amending Ordinance No. 1061 entitled "Regulating the Width of Sidewalks" by adding thereto Section 1596 to change the official sidewalk width of: a) the southerly side of Post Street starting at the southeast intersection with Franklin Street continuing east to the southwest intersection with Van Ness Avenue; b) the northerly side of Geary Boulevard starting at the northeast intersection with Franklin Street continuing east to the northwest intersection with Van Ness Avenue; c) the northerly side of Geary Street starting at the northeast intersection of Van Ness Avenue continuing east 325 feet; d) both sides of Cedar Street starting at the intersection with Van Ness Avenue continuing east to the intersection with Polk Street; e) the westerly side of Van Ness Avenue starting at the intersection with Geary Boulevard continuing north to the intersection with Post Street; and f) the easterly side of Van Ness Avenue starting at the intersection with Geary Street continuing north to the intersection with Cedar Street; 2) making environmental findings and findings pursuant to the General Plan and Planning Code Section 101.1; and 3) requiring relocation, modification, or both of facilities affected by the sidewalk width change.

**120365 Changing the Official Sidewalk Widths - Portions of Cesar Chavez Street, Valencia Street and 27<sup>th</sup> Street - California Pacific Medical Center: St. Luke's Campus**

Ordinance: 1) amending Ordinance No. 1061 entitled "Regulating the Width of Sidewalks" by adding thereto Section 1591 to change the official sidewalk width of: a) the southerly side of Cesar Chavez Street starting at the southeast intersection with Guerrero Street continuing east to the southwest intersection with Valencia Street; b) the westerly side of Valencia Street, starting at the southwest intersection with Cesar Chavez Street continuing south to the northwest intersection with Duncan Street; and c) the northern portion of 27<sup>th</sup> Street starting at the intersection of 27<sup>th</sup> Street and San Jose Avenue and continuing west for 44.24 feet; 2) making environmental findings and findings pursuant to the General Plan and Planning Code Section 101.1; and 3) requiring relocation, modification, or both of facilities affected by the sidewalk width change.

**120366 Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center**

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

**120458      General Plan - Van Ness Area Plan Amendments - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the San Francisco General Plan Van Ness Area Plan in order to facilitate the development of a high density medical center at the transit nexus of Van Ness Avenue and Geary Boulevard and reflect various elements of this use; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120459      General Plan Map - California Pacific Medical Center: St. Luke's Campus**

Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to increase the height limit for the California Pacific Medical Center's St. Luke's Campus (Block No. 6575/Lot Nos. 001, 002; Block No. 6576/Lot No. 021, and the portion of San Jose Avenue between Cesar Chavez Street and 27<sup>th</sup> Street) to 105 feet; and 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 227' and 270', respectively, for the St. Luke's Replacement Hospital site and 204' and 228', respectively, for the medical office building site at the St. Luke's Campus; and adopting findings, including environmental findings, Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

**120460      General Plan Map - California Pacific Medical Center: Cathedral Hill Campus**

Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to allow for development up to a height of 265 feet on the block bounded by Van Ness Avenue, Geary Boulevard, Franklin and Post Streets; 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 385' and 466', respectively, for the Cathedral Hill Hospital site and 265' and 290', respectively, for the Cathedral Hill MOB site; 3) amending Map 1 of the Van Ness Area Plan, to designate the sites of the proposed Cathedral Hill Hospital and Medical Office Building as the Van Ness Medical Use Subdistrict; and 4) amending Map 2 of the Van Ness Area Plan to create a 265-V height/bulk district coterminous with the Hospital site; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public records in these matters, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, June 8, 2012.



Angela Calvillo, Clerk of the Board

DATED: May 30, 2012

MAILED: June 1, 2012

PUBLISHED: June 1 & 8, 2012 (Street Vacation); June 5, 2012 (General Plan Amendments & Development Agreement)



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1 DR CARLTON B GOODLETT PL #244  
SAN FRANCISCO, CA 94102

CNS 2324255

### COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE  
Ad Description: AM - 06.15.12 CPMC Land Use Hearing

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO CHRONICLE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the Clerk of the Board: Publication date(s) for this notice is (are):

06/05/2012

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NOTICE OF PUBLIC HEARING  
BOARD OF SUPERVISORS OF THE  
CITY AND COUNTY OF SAN FRANCISCO  
LAND USE & ECONOMIC DEVELOPMENT  
COMMITTEE FRIDAY, JUNE 15, 2012 - 10:00 AM LEGISLATIVE  
CHAMBER ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PL, SF, CA

NOTICE IS HEREBY GIVEN THAT THE LAND USE AND ECONOMIC DEVELOPMENT COMMITTEE WILL A HOLD A PUBLIC HEARING TO CONSIDER THE FOLLOWING PROPOSAL AND SAID PUBLIC HEARING WILL BE HELD AS FOLLOWS, AT WHICH TIME ALL INTERESTED PARTIES MAY ATTEND AND BE HEARD. SUBJECT: CALIFORNIA PACIFIC MEDICAL CENTER LONG RANGE DEVELOPMENT PLAN. (File No. 120366) Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center. Ordinance: 1) approving a Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, for certain real property associated with the California Pacific Medical Center Long Range Development Plan located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus, and California Campus; 2) making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and 3) waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith (File No. 120458) General Plan - Van Ness Area Plan Amendments - California Pacific Medical Center: Cathedral Hill Campus. Ordinance amending the San Francisco General Plan Van Ness Area Plan in order to facilitate the development of a high density medical center at the transit nexus of Van Ness Avenue and Geary Boulevard and reflect various elements of this use; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1. (File No. 120459) General Plan Map - California Pacific Medical Center: St. Luke's Campus. Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to increase the height limit for the California Pacific Medical Center's St. Luke's Campus (Block No. 6575/Lot Nos. 001, 002; Block No. 6576/Lot No. 021, and the portion of San Jose Avenue between Cesar Chavez Street and 27th Street) to 105 feet; and 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 227' and 270', respectively, for the St. Luke's Replacement Hospital site and 204' and 228', respectively, for the medical office building site at the St. Luke's Campus; and adopting findings, including environmental find-

ings, Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1. (File No. 120460) General Plan Map - California Pacific Medical Center: Cathedral Hill Campus. Ordinance amending the General Plan of the City and County of San Francisco by: 1) amending Map 4 of the Urban Design Element to allow for development up to a height of 265 feet on the block bounded by Van Ness Avenue, Geary Boulevard, Franklin and Post Streets; 2) amending Map 5 of the Urban Design Element to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 385' and 466', respectively, for the Cathedral Hill Hospital site and 265' and 290', respectively, for the Cathedral Hill MOB site; 3) amending Map 1 of the Van Ness Area Plan, to designate the sites of the proposed Cathedral Hill Hospital and Medical Office Building as the Van Ness Medical Use Subdistrict; and 4) amending Map 2 of the Van Ness Area Plan to create a 265-V height/bulk district coterminous with the Hospital site; and adopting findings, including environmental findings, Planning Code Section 340 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1. In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public records in these matters, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, June 8, 2012. Angela Calvillo, Clerk of the Board



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