

File No. 161164

Committee Item No. 15

Board Item No. 22

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 11, 2017

Board of Supervisors Meeting

Date January 31, 2017

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 - Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Commission Resolution</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Public Hearing Notice</u>          |
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Completed by: Linda Wong Date January 6, 2017  
 Completed by: Linda Wong Date January 17, 2017

1 [Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project]

2  
3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco, the Housing Authority of the City and County of San Francisco, and**  
5 **Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the**  
6 **approximately 50-acre site located in Visitacion Valley and generally bounded by**  
7 **McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east,**  
8 **and Velasco to the south; confirming the Development Agreement's compliance with,**  
9 **or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56;**  
10 **approving the use of impact fees and exactions for improvements and other**  
11 **community benefits, as set forth in the Development Agreement, and waiving any**  
12 **conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in**  
13 **connection with the Development Agreement; authorizing further actions taken**  
14 **consistent with the Ordinance; making findings under the California Environmental**  
15 **Quality Act; and making findings of conformity with the General Plan, and with the**  
16 **eight priority policies of Planning Code, Section 101.1.**

17  
18 **NOTE: Unchanged Code text and uncodified text are in plain Arial font.**  
19 **Additions to Codes are in *single-underline italics Times New Roman font.***  
20 **Deletions to Codes are in *strikethrough italics Times New Roman font.***  
21 **Board amendment additions are in double-underlined Arial font.**  
22 **Board amendment deletions are in ~~strikethrough Arial font.~~**  
23 **Asterisks (\* \* \* \*) indicate the omission of unchanged Code**  
24 **subsections or parts of tables.**

25  
Be it ordained by the People of the City and County of San Francisco:

Section 1. Project Findings.

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

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

7 (c) HOPE SF is the nation's first large-scale public housing transformation  
8 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and  
9 creating vibrant mixed-income communities without mass displacement of current residents.  
10 Launched in 2007, HOPE SF is a human and real estate capital commitment by the City.  
11 HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking  
12 intergenerational patterns related to the insidious impacts of trauma and poverty, and to  
13 creating economic and social opportunities for current public housing residents through deep  
14 investments in education, economic mobility, health and safety.

15 (d) The Sunnydale HOPE SF project (the "Project"), which is located in Visitacion  
16 Valley, is generally bounded by McLaren Park to the north, Crocker Amazon Park on the  
17 west, Hahn Street to the east, and Velasco Avenue to the south.

18 (e) The Housing Authority of the City and County of San Francisco owns and  
19 operates 775 units of public housing on the approximately 50-acre site, known as Sunnydale-  
20 Valasco.

21 (f) The Project is a mixed-use, mixed-income development with several different  
22 components: (i) construction of the public infrastructure to support the Project; (ii)  
23 development of private affordable housing on affordable parcels in accordance with an  
24 affordable housing plan; (iii) development of private residential projects on market rate  
25 parcels; and (iv) development of community improvements (e.g., open space areas,

1 community facilities) throughout the Project. The Sunnydale HOPE SF master plan consists of  
2 a maximum of 1,770 units, of which 775 are replacement units for existing Sunnydale-Velasco  
3 households and approximately 200 are additional affordable housing units. There are also up  
4 to 730 units that will be for market rate homeownership or rental. The master plan includes all  
5 new streets and utility infrastructure, 3.6 acres of new open spaces, and approximately 60,000  
6 square feet of new neighborhood serving spaces.

7 (g) Sunnydale Development Co., LLC (the "Developer") filed an application with the  
8 City's Planning Department for approval of a development agreement relating to the Project  
9 Site (the "Development Agreement") under Chapter 56. A copy of the Development  
10 Agreement is on file with the Clerk of the Board of Supervisors in File No. 161164 and is  
11 incorporated herein by reference.

12 (h) This ordinance is companion legislation to other ordinances relating to the  
13 Sunnydale HOPE SF project, including Planning Code amendments and Zoning Map  
14 amendments. These ordinances are on file with the Clerk of the Board of Supervisors in File  
15 Nos. 161162, 161163, and 161309.

16 (i) The Project will help realize and further the City's HOPE SF goals. In addition to  
17 helping the City realize and further such goals, the City has determined that development of  
18 the Project under the Development Agreement will provide additional benefits to the public  
19 that could not be obtained through application of existing City ordinances, regulations and  
20 policies. The Development Agreement will eliminate uncertainty in the City's land use planning  
21 for the Project and secure orderly development of the Project.

## 22 Section 2. Environmental and Land Use Findings.

23 The Board of Supervisors adopted a companion ordinance related to General Plan  
24 amendments for the Project. This companion ordinance described the Project and included  
25 findings under the California Environmental Quality Act (Public Resources Code Sections



1 21000' et seq.), and findings of consistency with the General Plan, and the eight priority  
2 policies of Planning Code Section 101.1. The Board of Supervisors adopts all of these  
3 findings for purposes of this ordinance. The companion ordinance on the General Plan  
4 amendments and the accompanying findings are on file with the Clerk of the Board of  
5 Supervisors in File No. 161309 and are incorporated herein by reference.

6 Section 3. Approval of Development Agreement.

7 (a) The Board of Supervisors approves all of the terms and conditions of the  
8 Development Agreement, in substantially the form on file with the Clerk of the Board of  
9 Supervisors in File No. 161164.

10 (b) The Board of Supervisors approves and authorizes the execution, delivery and  
11 performance by the City of the Development Agreement as follows: (i) the Director of  
12 Planning and (other City officials listed thereon) are authorized to execute and deliver the  
13 Development Agreement and consents thereto, and (ii) the Director of Planning and other  
14 appropriate City officials are authorized to take all actions reasonably necessary or prudent to  
15 perform the City's obligations under the Development Agreement in accordance with its terms.  
16 The Director of Planning, at his or her discretion and in consultation with the City Attorney, is  
17 authorized to enter into any additions, amendments or other modifications to the Development  
18 Agreement that the Director of Planning determines are in the best interests of the City and  
19 that do not materially increase the obligations or liabilities of the City or materially decrease  
20 the benefits to the City as provided in the Development Agreement. Final versions of such  
21 documents shall be provided to the Clerk of the Board for inclusion in the official file within 30  
22 days of execution by all parties.

23 Section 4. Potential Conflict of Development Agreement with Administrative Code;  
24 Waiver of Administrative Code Provisions.

1 (a) In the event of any conflict between any provision of the Development Agreement  
2 and Administrative Code Chapters 14B, 29 or 56, the Development Agreement shall prevail,

3 (b) Without limiting the scope of subsection (a) above which applies to the  
4 Administrative Code Chapters mentioned therein in their entirety, the provisions of  
5 Administrative Code Chapters 14B, 29 and 56 designated below, are as to the Development  
6 Agreement, hereby waived or deemed satisfied. The omission below of a reference to a  
7 particular provision in the Development Agreement or a particular provision in one of the  
8 aforementioned Administrative Code Chapters shall not be construed to negate the  
9 applicability of subsection (a) to such provisions.

10 (1) The Project comprises nearly 50 acres and is the type of large multi-phase and/or  
11 mixed-use development contemplated by the City Administrative Code and therefore is  
12 deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

13 (2) The provisions of Development Agreement Section 6.6 and the Workforce MOU  
14 attached to the Development Agreement as Exhibit I shall apply in lieu of the provisions of  
15 Administrative Code Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

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

19 (4) The City established the HOPE SF Fund through Ordinance No. 180-07, and  
20 affirmed its commitment to HOPE SF through Resolution No. 556-07. Together, those actions  
21 shall apply in lieu of the provisions of Administrative Code Section Chapter 29.

22 Section 5. Planning Code Fee Waiver.

23 The Board of Supervisors approves the use of the Impact Fees and Exactions for  
24 improvements and community benefits, as set forth in Exhibit H to the Development  
25

1 Agreement, and waives or overrides any provision in Article 4 of the Planning Code that would  
2 conflict with uses of these funds as described in the Development Agreement.

3 Section 6. Administrative Code Chapter 56 Waiver.

4 In connection with the Development Agreement, the Board of Supervisors finds that the  
5 requirements of Chapter 56, as modified hereby, have been substantially complied with and  
6 waives any procedural or other requirements of Chapter 56 if and to the extent that they have  
7 not been strictly complied with.

8 Section 7. Ratification of Past Actions; Authorization of Future Actions.

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

13 Section 8. Effective and Operative Date.

14 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
15 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
16 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
17 Mayor's veto of the ordinance.

18 (b) This Ordinance shall become operative only on the later of (a) the effective date of  
19 this ordinance, or (b) the last occurring effective date among the companion ordinances  
20 identified in Section 1(h) of this ordinance. Copies of said Ordinances are on file with the  
21 Clerk of the Board of Supervisors in File No. 161162, 161163, and 161309. No rights or duties  
22 are created

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under the Development Agreement until the operative date of this ordinance.

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

By:   
Heidi J. Gewertz  
Deputy City Attorney  
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**LEGISLATIVE DIGEST**

[Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project]

**Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.**

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 and County of San Francisco (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 and Sunnydale Development Co., LLC ("Developer") in accordance with the Development Agreement Statute and Chapter 56. The development agreement would provide to Developer the right to develop the project site as described in the development agreement (the "Project"). There are no proposed amendments to Chapter 56.

Background Information

Under the development agreement, Developer will attain the vested right to develop the proposed project on the approximately 50-acre site. The term of the development agreement is 25 years. The Project is a mixed use, mixed income development with several different components: (i) construction of the public infrastructure to support the Project; (ii) development of private affordable housing on affordable parcels in accordance with an affordable housing plan; (iii) development of private residential projects on market rate parcels; and (iv) development of community improvements (e.g., open space areas,

community facilities) throughout the Project. The Sunnydale HOPE master plan consists of a maximum of 1,770 units, of which 775 are replacement units for existing Sunnydale-Velasco households and 200 are additional affordable housing units. There are also up to 730 units that will be for market rate homeownership. The master plan includes all new streets and utility infrastructure, 3.6 acres of new open spaces, and approximately 60,000 square feet of new neighborhood serving spaces.

Currently, the San Francisco Housing Authority owns and operates 775 units of public housing on the approximately 50-acre site of the Project, which is located in Visitacion Valley

The Project is part of the City's HOPE SF program. HOPE SF is the nation's first large-scale public housing transformation collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a human and real estate capital commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for current public housing residents through deep investments in education, economic mobility, health and safety.

By separate legislation, the Board is considering a number of actions in furtherance of the project, including the approval of amendments to the City's General Plan; Planning Code and Zoning Map.

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<p>Items 13, 14, 15 &amp; 16 Files 16-1161, 16-1355, 16-1164, 16-1356</p>	<p>Department: Mayor's Office of Housing and Community Development (MOHCD)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

The four proposed resolutions would approve: (1) the master development agreement (File 16-1355) and the development agreement between the San Francisco Housing Authority (SFHA) (File 16-1161), the City, and BRIDGE Housing Corporation and BRIDGE Urban Infill Land Development LLP (BRIDGE) to develop the Potrero HOPE SF Project; and (2) the master development agreement (File 16-1356) and the development agreement between SFHA (File 16-1164), the City, and Mercy Housing California and the Related Companies of California, LLC (Mercy) to develop the Sunnysdale HOPE SF Project (File 16-1164). SFHA selected the developers through a competitive process in 2008.

**Key Points**

- The Potrero HOPE SF and Sunnysdale HOPE SF projects would demolish existing public housing and build replacement public housing, affordable housing, and market rate housing on land owned by SFHA. Each project would be developed in phases over approximately 25 years.
- The master development agreements outline SFHA's role as landowner, including preparation and sale of SFHA-owned property to private developers to construct market rate housing and transfer of SFHA-owned property to non-profit developers through 99-year ground leases to construct affordable housing. The development agreements grant the developers the right to develop the project sites as described in the agreements.

**Fiscal Impact**

- Phase 1 of the Potrero HOPE SF Project would construct 72 units of affordable housing; financing of \$68.5 million has been obtained of which \$17.7 million was committed by MOHCD. Phase 1 of the Sunnysdale HOPE SF Project would construct 55 units at an estimated cost of \$42.4 million; MOHCD has committed \$7.0 million and the developer is seeking federal Low Income Housing Tax Credits and other financing.
- The development agreements do not commit MOHCD to finance the remaining project phases, but MOHCD anticipates financing approximately \$583.8 million over 13 years.

**Policy Consideration**

- Total development costs per square foot for Potrero and Sunnysdale HOPE SF projects are higher than for the two other HOPE SF projects – Alice Griffith and Hunters View. According to MOHCD, Alice Griffith and Hunters View have lower costs due to the larger size of the projects and related economies of scale. Also, the more recent Potrero and Sunnysdale projects are impacted by increasing construction costs in San Francisco.

**Recommendation**

- Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

**MANDATE STATEMENT**

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

**BACKGROUND**

Launched in 2007, HOPE SF is a City sponsored anti-poverty initiative, led by the Mayor's Office of Housing and Community Development (MOHCD) in partnership with the San Francisco Housing Authority (SFHA), to redevelop the City's most distressed public housing sites into mixed-income communities comprised of affordable housing, including replacement units for existing public housing, and market rate housing units.

The HOPE SF initiative is comprised of separate projects to redevelop four public housing sites in San Francisco. Construction to replace the 267 public housing units at Hunters View with 750 affordable units began in 2010 and is scheduled to be completed in 2018. Construction to replace the 256 public housing units at Alice Griffith with 504 affordable units began in 2015 and is scheduled to be completed in 2021. Potrero Terrace and Annex ("Potrero") and Sunnydale-Velasco ("Sunnydale") are the third and fourth sites slated for redevelopment as part of the HOPE SF initiative and are the subject of the proposed resolutions, discussed below.

Potrero is a 619 unit 38-acre public housing site located on the south slope of Potrero Hill. Sunnydale is a 775 unit 50-acre public housing site located in the Visitacion Valley neighborhood. Both sites are currently owned and operated by SFHA and are in a similar state of disrepair with limited access to services and no formal open spaces.

SFHA issued a Request for Qualifications (RFQ) for developers of each of the two sites in October 2007. In 2008, SFHA selected BRIDGE Housing Corporation and BRIDGE Urban Infill Land Development LLP (BRIDGE) to develop a master development plan to revitalize Potrero, and selected Mercy Housing California and the Related Companies of California, LLC (Mercy) to develop a master development plan to revitalize Sunnydale.<sup>1</sup> Over the next two years, the selected Master Developers hosted multiple meetings with SFHA residents and community members to develop new site plans for the projects. In 2010, the Master Plans were finalized and the Projects began their environmental review processes and land use approval processes with the Planning Department.

**DETAILS OF PROPOSED LEGISLATION**

The four proposed resolutions would approve:

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<sup>1</sup> The Exclusive Negotiating Rights Agreements for both projects were later amended to grant development rights to the current developers: BRIDGE Potrero Community Associates, LLC and Sunnydale Development Co., LLC. According to MOHCD, both limited liability corporations (LLCs) have the initially selected developer or their affiliate as controlling members.



- The master development agreement (File 16-1355) and the development agreement between SFHA, the City, and BRIDGE to develop the Potrero HOPE SF Project (File 16-1161); and
- The master development agreement (File 16-1356) and the development agreement between SFHA, the City, and Mercy to develop the Sunnydale HOPE SF Project (File 16-1164).

**Overview of Potrero and Sunnydale HOPE SF Projects**

Both the Potrero HOPE SF Project and the Sunnydale HOPE SF Project would demolish all existing public housing units and streets and build new housing and new streets to better connect the areas with the surrounding neighborhood street grids. At completion, both projects would include public housing replacement units, additional units affordable to households earning up to 60 percent of the Area Median Income (AMI)<sup>2</sup>, and market rate units. As shown in Table 1 below, the projects would include 1,800 affordable housing units and 1,465 market rate housing units, for a total of 3,265 housing units; and new open space, new retail space, and new community services space. The new streets would include new public utility systems, sidewalks and street furnishings, and transportation improvements. Construction would occur in phases over 25 years, and current residents would be relocated to allow demolition and rebuilding of the site in phases.<sup>3</sup>

**Table 1: Potrero and Sunnydale HOPE SF Proposed Uses**

Proposed Use	Potrero		Sunnydale		Total Proposed
	Current	Proposed	Current	Proposed	
<b>Residential Units</b>					
Public Housing (Replacement)	619	619	775	775	1,394
Affordable (up to 60 percent of the AMI)	-	187	-	219	406
Subtotal, Affordable Housing	619	806	775	994	1,800
Market Rate	-	817	-	648	1,465
<b>Total Residential Units</b>	619	1,623*	775	1,642*	3,265
Retail Space	-	15,000 gsf	-	16,200 gsf	
Community Services Space	-	30,000 gsf	29,276 gsf	72,500 gsf	
Public Open Space	-	3.5 acres	-	3.6 acres	

Source: Master Development Agreements

\*Each site has maximum build out of 1,700 units as provided in the Environment Impact Report (EIR)

**Master Development Agreements**

The Master Development Agreements (MDAs) outline SFHA’s role as land-owner and detail the SFHA’s responsibilities for the project, mainly: (a) disposing of land owned by SFHA for market rate parcels, which would be sold to independent developers, and new public infrastructure

<sup>2</sup> 60 percent of the AMI in 2016 for a family of four is \$64,600 as published by MOHCD.

<sup>3</sup> Residents would be relocated onsite or voluntarily offsite. Residents are guaranteed a right to return to the property under the City’s Right to Return Ordinance.

and streets, which would be dedicated to the City upon Project completion; (b) disposing of land owned by SFHA for affordable parcels through long term ground leases with the affordable housing developers and (c) continuing to provide Section 8 vouchers for the operational costs of the affordable housing.

The Developers would prepare each market rate parcel for development, and SFHA would sell these parcels to third-party developers, with approved zoning, to build what is outlined in the Development Agreements and Special Use Districts.<sup>4</sup> SFHA would have to approve the sale of each parcel, and the proceeds from the sale of these parcels would provide a funding source for development of affordable units. The market rate sites would not be individually subject to affordable housing obligations required by Planning Code Section 415, because more than one-half of the housing to be constructed in the Potrero and Sunnydale HOPE SF projects is affordable.

SFHA would continue to own the affordable housing parcels and would issue 99-year ground leases to the Developers. As a condition of the leases, the Developers would be required to maintain the affordability of all units for 99 years. The Developers would own the building structures and maintain them. According to MOHCD, the Section 8 vouchers provided by SFHA together with rent payments from tenants would fully cover building operating costs and debt service payments.

#### **Development Agreements**

The Development Agreements grant the Developers the right to develop the project sites as described in the agreements. They also authorize City departments (e.g. the Planning Department and the City Attorney) to take any action required for project implementation, and provide certain fee exemptions<sup>5</sup>. The agreements outline the process for applying for City funding but do not commit City funding to the projects outright.

#### **Potrero Development Phases and Financing**

Construction of the Potrero HOPE SF Project would occur in five main phases over 25 years, and current residents would be relocated to allow demolition and rebuilding of the site in phases. Table 2 below shows the Project phases and public financing schedule. The timeline is subject to change depending on market forces and the availability of financing.

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<sup>4</sup> According to Ms. Lisa Motoyama, Director of Real Estate – Special Initiatives at MOHCD, market rate developers would be selected through a competitive process. The affordable developers could submit a proposal and compete in this process if they desired.

<sup>5</sup> The Transportation Sustainability Fee and the Citywide Child Care Fee are not applicable to the projects per City code, while the Bicycle Parking In-Lieu Fee and the Street Trees In-Lieu Fee would be waived for both projects. Market rate units would be subject to the Eastern Neighborhoods Impact Fee Equivalent (for Potrero), the Visitacion Valley Fee (for Sunnydale) and the School Impact Fee. Affordable units would be subject to the School Impact Fee, but would receive a credit for replacement public housing units. Both projects would be subject to established processing fees for the processing or review of applications.

**Table 2: Potrero HOPE SF Project Phases and Public Financing Schedule**

Development Phase	Public Financing Schedule			
	Affordable Units	Market Rate Units*	Predevelopment	Permanent (Gap)
Phase 1	72	0	FY 2015-16	FY 2016-17
Phase 2	94	102	FY 2016-17	FY 2017-18
Phase 3	95	255	FY 2018-19	FY 2019-20
Phase 4	65	0	FY 2020-21	FY 2021-22
Phase 5A	160	255	FY 2021-22	FY 2023-24
Phase 5B	160	80	FY 2022-23	FY 2024-25
Phase 5C	160	125	FY 2023-24	FY 2025-26
<b>Unit Total</b>	<b>806</b>	<b>817</b>		

Source: Master Development Agreement

\* Market Rate Unit estimates are approximate based on the Master Budget in the MDA

Phase 1 of the Potrero HOPE SF Project is construction on Block X<sup>6</sup>, which is scheduled to begin in 2017, and will convert a 0.69-acre vacant lot at 1101 Connecticut Street into 72 affordable housing units. Development of Block X in Phase 1 is not part of the development agreement, which is the subject of Resolution 16-1161. Financing of \$68,453,064 for development of Block X has been finalized as of December 20, 2016, as shown in Table 3 below.

<sup>6</sup> Block X, located at 1101 Connecticut Street, is not part of the project site and is not part of the Potrero Development Agreement. The Board of Supervisors previously approved purchase of Block X from the San Francisco Unified School District in February 2016 (File 16-0069) and an option to ground lease the property to Potrero Housing Associates I, LP, a California limited partnership formed by BRIDGE Housing Corporation, in June 2016 (File 16-0555). The Planning Commission has approved zoning map amendments for Block X separately from the rest of the Project to expedite construction. Once construction of Block X is completed, existing Potrero public housing residents will be relocated to Block X during construction of replacement public housing at Potrero.

**Table 3: Sources of Funds for Block X (Potrero HOPE SF Phase 1)**

Source	Amount
<b>Public Sources</b>	
MOHCD Gap <sup>7</sup>	\$17,693,093
<b>Subtotal Public Sources</b>	<b>\$17,693,093</b>
<b>Private Sources</b>	
First Mortgage <sup>8</sup>	\$17,700,000
Private Subordinate Debt <sup>9</sup>	1,200,000
Deferred Developer Fee <sup>10</sup>	2,000,000
Private Investor Contributions <sup>11</sup>	29,859,971
<b>Subtotal Private Sources</b>	<b>\$50,759,971</b>
<b>Total Sources</b>	<b>\$68,453,064</b>

Source: MOHCD

The Potrero Development Agreement covers Phases 2 through 5 of the Potrero HOPE SF Project. Total estimated costs for development of 734 affordable housing units<sup>12</sup> are \$821,205,167, including \$322,346,687 in public financing and \$498,858,480 in private financing, shown in Table 4 below. Financing for the affordable housing units in the subsequent phases, which will occur over a nine-year period from FY 2017-18 through FY 2025-26, has not been finalized.

Financing for construction of 94 affordable housing units during Phase 2 of the Project would be secured in FY 2017-18. Phase 2 would entail (a) the demolition of 91 existing public housing units<sup>13</sup> and surrounding infrastructure, (b) construction of Block B, which would include 94 affordable units, and (c) the sale of Block A for market rate housing development. Subsequent phases would similarly involve demolition of existing units, construction of new affordable units, and preparation of market rate parcels for sale and are expected to follow the public financing schedule described in Table 2 above.

<sup>7</sup> A low-interest loan (3 percent) from MOHCD Gap Funding would be payable back to the City from residual rent receipts (i.e. funds that remain once all other expenses and debt are paid) over 55 years.

<sup>8</sup> A private loan that uses the property as collateral. Block X's First Mortgage will be issued by Citibank.

<sup>9</sup> According to Ms. Kirkpatrick, MOHCD Project Manager, Citibank provided subordinate debt through their Affordable Housing Catalyst Loan Program, paid through residual rent receipts if available.

<sup>10</sup> A portion of the Developer fee would be paid back from rent receipts after completion of the Project.

<sup>11</sup> Private Investor Contributions include (a) \$100 in cash investment plus (b) \$29,859,871 in anticipated proceeds from the sale of Federal Low Income Housing Tax Credits for affordable housing projects.

<sup>12</sup> Of the 806 affordable housing units, 72 units will be constructed on Block X during Phase 1 and 734 units will be constructed under the terms of the Potrero Development Agreement in Phases 2 through 5.

<sup>13</sup> Current residents would be relocated to the newly constructed affordable units on Block X or to vacant units in other buildings.

**Table 4: Sources of Funds for the Potrero HOPE SF Project**

<b>Source</b>	<b>Amount</b>
<b>Public Sources</b>	
MOHCD Gap	\$314,396,687
Affordable Housing Program <sup>14</sup>	7,950,000
<b>Subtotal Public Sources</b>	<b>\$322,346,687</b>
<b>Private Sources</b>	
First Mortgage	\$189,139,244
Deferred Developer Fee	20,733,509
Private Investor Contributions <sup>15</sup>	288,985,727
<b>Subtotal Private Sources</b>	<b>\$498,858,480</b>
<b>Total Sources</b>	<b>\$821,205,167</b>

Source: Master Development Agreement (Exhibit H)

Public financing of \$322,346,687 would consist of loans by MOHCD and the Federal Home Loan Bank of San Francisco.

**Sunnydale Development Phases and Financing**

Construction of the Sunnydale HOPE SF Project would occur in three main phases over 25 years, and current residents would be relocated to allow demolition and rebuilding of the site in phases. Table 5 below shows the Project phases and public financing schedule. The timeline is subject to change depending on market conditions and the availability of financing for affordable housing.

<sup>14</sup> An Affordable Housing Program (AHP) grant from the Federal Home Loan Bank of San Francisco. The budget assumes that the Project would receive approximately \$10,000 per affordable unit for each phase of the Project percent. According to Ms. Motoyama, Block X did not receive this loan prior to construction because the Project was unable to apply in time, but the Developer will apply for funding in the next round.

<sup>15</sup> Private Investor Contributions include (a) \$1,122,984 in cash investment plus (b) \$287,862,743 in anticipated proceeds from the sale of Federal Low Income Housing Tax Credits for affordable housing projects.

**Table 5: Sunnydale HOPE SF Project Phases and Public Financing Schedule**

Development Phase	Public Financing Schedule			
	Affordable Units	Market Rate Units*	Predevelopment	Permanent (Gap)
Phase 1	55	0	FY 2015-16	FY 2016-17
Phase 1A	343	8	FY 2016-17, FY 2017-18, FY 2018-19	FY 2017-18, FY 2018-19, FY 2019-20
Phase 1B	69	0	FY 2019-20	FY 2020-21
Phase 1C	100	48	FY 2020-21	FY 2021-22
Phase 2A	133	68	FY 2021-22, FY 2022-29	FY 2022-23, FY 2023-24
Phase 2B	79	86	FY 2023-24	FY 2024-25
Phase 2C	66	84	FY 2024-25	FY 2025-26
Phase 3A	72	137	FY 2025-26	FY 2026-27
Phase 3B	77	217	FY 2026-27, FY 2027-28	FY 2027-28, FY 2028-29
Phase 3C	0	0	FY 2028-29	FY 2029-30
<b>Unit Total</b>	<b>994</b>	<b>648</b>		

Source: Development Agreement

\* Market Rate Unit estimates are approximate based on the Master Budget in the MDA

Phase 1 of the Project is construction of 55 affordable units on Parcel Q, a half-acre vacant lot owned by the Sunnydale Parcel Q Housing Partners, L.P. (Parcel Q L.P.), an affiliate of the development partner, Mercy Housing California and the Related Companies of California, LLC, located at Sunnydale and Hahn Streets, adjacent to the Sunnydale Project owned by SFHA. Parcel Q L.P. purchased Parcel Q in December of 2016 and is in the process of assessing financing options, including permanent financing, applying to the California Tax Credit Allocation Committee for Federal Low Income Housing Tax Credits and the Federal Home Loan Bank of San Francisco for Affordable Housing Program (AHP) funds to finance the project, and MOHCD gap funding. MOHCD previously provided predevelopment financing of \$2,000,000 and acquisition financing of \$3,000,000 to Parcel Q L.P. Project construction is scheduled to begin in December 2017. Estimated project financing of \$42,431,219 is shown in Table 6 below.

**Table 6: Sources of Funds for Parcel Q (Sunnydale HOPE SF Phase 1)**

<b>Source</b>	<b>Amount</b>
<b>Public Sources</b>	
MOHCD Gap	\$6,952,279
Affordable Housing Program	540,000
<b>Subtotal Public Sources</b>	<b>\$7,482,279</b>
<b>Private Sources</b>	
First Mortgage	\$8,541,219
Private Investor Contributions <sup>16</sup>	26,397,721
<b>Subtotal Private Sources</b>	<b>\$34,938,940</b>
<b>Total Sources</b>	<b>\$42,431,219</b>

Source: MOHCD

Total estimated financing of 944 affordable housing units in the Sunnydale HOPE SF Project, including the 55 units in Parcel Q, is \$965,191,517, which consists of \$392,428,208 in public financing and \$572,763,309 in private financing, shown in Table 7 below. Financing for all other phases of the Sunnydale Project would be finalized on a rolling basis in advance of the public financing schedule shown in Table 5 above.

Financing for construction of the next phase of the Project—Phase 1A—would be secured over three fiscal years—FY 2017-18, FY 2018-19, and FY 2019-20. Phase 1A would entail (a) the demolition of 188 existing public housing units<sup>17</sup> and surrounding infrastructure, (b) construction of Blocks 6A, 6B, 3A, and 3B, which would include a total of 343 affordable units, (c) the sale of Block 5 for market rate housing development, and (d) construction of new community serving spaces. Subsequent phases would similarly involve demolition of existing units, construction of new affordable units, and preparation of market rate parcels for sale and are expected to follow the public financing schedule described in Table 5 above.

<sup>16</sup> Private Investor Contributions in this instance, only include anticipated proceeds from the sale of Federal Low Income Housing Tax Credits for affordable housing projects.

<sup>17</sup> Current residents would be relocated to the newly constructed affordable units on Parcel Q or to vacant units in other buildings.

**Table 7: Sources of Funds for the Sunnydale HOPE SF Project**

Source	Amount
<b>Public Sources</b>	
MOHCD Gap	\$288,246,382
Affordable Housing Program	\$9,800,000
California Department of Housing and Community Development (HCD) <sup>18</sup>	\$94,381,826
<b>Subtotal Public Sources</b>	<b>\$392,428,208</b>
<b>Private Sources</b>	
First Mortgage	\$197,891,042
Deferred Developer Fee	\$17,999,788
Private Investor Contributions <sup>19</sup>	\$356,872,479
<b>Subtotal Private Sources</b>	<b>\$572,763,309</b>
<b>Total Sources</b>	<b>\$965,191,517</b>

Source: Master Development Agreement (Exhibit H)

### Companion Ordinances and Resolutions

In addition to the Development Agreements and Master Development Agreements described above, both projects require additional ordinances and resolutions to be approved by the Board of Supervisors in order to begin construction as planned. These include: (1) General Plan Amendments (Files 16-1308 and 16-1309); (2) Planning Code Map Amendments (Files 16-1160 and 16-1163); and (3) the Creation of Special Use Districts (SUDs) (Files 16-1159 and 16-1162). These ordinances and resolutions are calendared at the January 9, 2017 Land Use and Transportation Committee. If the Board of Supervisors approves the Development Agreements and Master Development Agreements the Board of Supervisors will also need to approve these additional ordinances and resolutions.

### FISCAL IMPACT

#### MOHCD Gap Funding

Although the Development Agreements do not commit City funding to the projects, MOHCD anticipates that they would finance any costs not covered by other funding sources for both projects pursuant to the public financing approval process outlined in the Development Agreements. Based on current budget estimates, the Potrero HOPE SF Project (excluding Block X) would receive \$296,703,594<sup>20</sup> and the Sunnydale HOPE SF Project would receive

<sup>18</sup> Unlike the Potrero Project budget, the Sunnydale Project budget assumes some financing from HCD. According to Ms. Kirkpatrick, the two projects would compete for HCD funding, so assuming one project receives funding and one does not allows the estimates for both projects combined to remain conservative.

<sup>19</sup> Private Investor Contributions include (a) \$500,000 in cash investment plus (b) \$356,372,479 in anticipated proceeds from the sale of Federal Low Income Housing Tax Credits for affordable housing projects.

<sup>20</sup> Because Block X is not part of the Development Agreement, MOHCD Gap funding for Block X is excluded from this figure. The entire Potrero project is expected to receive \$314,396,687 in MOHCD gap funding. Subtracting MOHCD gap for Block X (\$17,693,093) from the total, provides the expected MOHCD gap received by the Project that would result from approval of the Development Agreement—\$296,703,594.



\$288,246,382 in funds from MOHCD Gap Funding, for a total of \$584,949,976 for both projects over approximately 13 years through 2030<sup>21</sup>.

According to Ms. Faith Kirkpatrick, Project Manager of the Potrero HOPE SF Project and Senior Community Development Specialist at MOHCD, the projects will receive a combined total of \$80 million from Proposition A affordable housing bonds that will cover a portion of MOHCD gap.<sup>22</sup> According to Lisa Motoyama, Director of Real Estate-Special Initiatives at MOHCD, the remainder of MOHCD gap funding would likely come from the Housing Trust Fund. According to Mr. Benjamin McCloskey, Deputy Director of Finance and Administration at MOHCD, the Department currently has a funding plan that shows anticipated costs and revenues available to meet those costs.

The amount of MOHCD gap funding required to construct the Potrero HOPE SF and Sunnydale HOPE SF projects is subject to the availability of other financing and market conditions. MOHCD gap funding could be higher than projected if less State funding is available or construction costs are higher than currently anticipated. According to Mr. McCloskey, decreases in other financing or increases in project costs could result in delays in constructing the affordable housing project. An increase in gap funding provided by MOHCD to the Potrero HOPE SF or Sunnydale HOPE SF projects could impact MOHCD's ability to finance other projects in the City's long-range affordable housing pipeline.

#### **Sale of Market Rate Parcels**

Under the proposed MDAs, the Developers would prepare each market rate parcel for development, and SFHA would then sell these parcels to third-party developers for market rate housing construction. The proceeds from the sale of these parcels would provide an additional funding source for the construction of affordable housing. According to Ms. Kirkpatrick, a recent market study estimated the residual land value<sup>23</sup> of these parcels to be approximately \$170,000 per market rate unit for the Potrero project. Sunnydale's estimated land value is \$50,000 per market rate unit based on current land sales at Hunters View HOPE SF Project and the 2017 Market Sales study for the Sunnydale HOPE SF project.

Based on these estimates, sale of the estimated 817 market rate parcels located in the Potrero Project would generate \$138,890,000 for the Project, and sale of the estimated 648 market rate parcels located in the Sunnydale Project would generate \$32,400,000, for a combined total of \$171,290,000 for both projects.

As shown in Table 5 below, the net MOHCD Gap—MOHCD Gap less proceeds from sale of market rate parcels—would be \$157,813,594 for Potrero and \$255,846,382 for Sunnydale, for a combined total of \$413,659,976 for both projects.

<sup>21</sup> As noted above the development of Block X in Phase I of the Potrero HOPE SF Project is fully funded and not included in the respective Development Agreement.

<sup>22</sup> Proposition A was approved by San Francisco voters in November 2015.

<sup>23</sup> Residual land value in this case is the value of the land minus development costs incurred to prepare the land for sale.

**Table 8: Net MOHCD Gap Funding for Potrero and Sunnydale HOPE SF Projects**

	Potrero*	Sunnydale	Total
MOHCD Gap	\$296,703,594	\$288,246,382	\$584,949,976
Market Rate Parcel Sale Proceeds	138,890,000	32,400,000	171,290,000
<b>Net MOHCD Gap</b>	<b>\$157,813,594</b>	<b>\$255,846,382</b>	<b>\$413,659,976</b>

Source: MOHCD, Budget Analyst Calculation

\*Potrero MOHCD Gap excludes Block X

**POLICY CONSIDERATION**

Affordable units for Phase 1 of both Projects are comparable in size (both in terms of number of bedrooms and square footage) to the current phases of Alice Griffith and Hunters View HOPE SF Projects.<sup>24</sup> However, the total development cost (not including infrastructure costs) per square foot is higher for Potrero and Sunnydale than Alice Griffith and Hunters View, as shown in Table 9 below. According to Ms. Motoyama, the current phases of Alice Griffith and Hunters View have lower construction costs per square foot relative to the first phases of both Potrero and Sunnydale due to economies of scale—the current phases of Alice Griffith and Hunters View involve construction of larger buildings for more affordable units compared to the first phases of Potrero and Sunnydale. Ms. Motoyama also notes that development costs for these two projects are higher because construction costs in San Francisco are increasing due to increased competition from the current high volume of construction.

**Table 9: Other HOPE SF Projects Total Development Cost (TDC) Comparison**

HOPE SF Projects	TDC*	TDC per unit	TDC per bedroom	TDC per square foot
Alice Griffith - Phase 3A/B	\$84,947,022	\$696,287	\$312,305	\$467
Hunters View - Phase 2A	\$65,331,394	\$610,574	\$272,214	\$406
Potrero - Phase 1 (Block X)	\$57,524,912	\$821,784	\$410,892	\$528
Sunnydale - Phase 1 (Parcel Q)	\$42,431,219	\$771,477	\$415,992	\$689

Source: MOHCD

\* Total Development Cost for building construction (does not include infrastructure costs)

**RECOMMENDATION**

Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

<sup>24</sup> The units in Parcel Q (Sunnydale) are slightly smaller on average than the other projects according to MOHCD data.

**HOPE SF SUNNYDALE**  
**Development Agreement Summary**  
**October 25, 2016**

**HOPE SF SUNNYDALE:**

Since its inception in 2008, HOPE SF has been a City sponsored anti-poverty initiative seeking to transform the lives and environment of the residents living in San Francisco's most distressed public housing sites through a major redevelopment effort to create a vibrant and thriving mixed income community. This Development Agreement ("DA") is an essential entitlement tool to grant the Developer vested rights to undertake the revitalization of the Sunnydale-Velasco ("Sunnydale") HOPE SF public housing site.

The proposed Development Agreement between the City and County of San Francisco (the "City"), the development partnership of Mercy and Related California (together "Developer"), and landowner San Francisco Housing Authority ("SFHA"), will allow for the development of the 50-acre Sunnydale-Velasco site. The site is located in the Visitacion Valley neighborhood and is bounded by McLaren Park to the north, Crocker Amazon Park to the west, Velasco Street to the south, Hahn Street to the east. The site is currently home to about 775 public housing households and is owned and operated by the San Francisco Housing Authority. The site is in a state of disrepair and has limited access to services, poor connectivity with the adjacent neighborhood, and no formal open spaces. It is the goal of the City and the Developer to realize the City's HOPE SF vision, which seeks to transform Sunnydale from its current condition into a vibrant mixed-income community that is well-served by City infrastructure and well-connected to City resources and opportunities.

**DEVELOPMENT AGREEMENT:**

The City and SFHA selected the Developer through a public request for proposals process in 2007 to lead revitalization of the site, and to own and manage the new affordable housing. The project's joint Environmental Impact Report/Environmental Impact Statement was approved by the Planning Commission on July 9, 2015. The City and the Developer are entering into this DA and associated Special Use District in order to secure long-term commitment to the important goals of HOPE SF. The Development Agreement reflects the unique nature of the site – a large, underdeveloped, and underinvested tract of public land that has the potential to become a thriving, mixed-use, accessible neighborhood for both existing and new residents. The DA memorializes increased development density and secures a significant package of public benefits beginning with the demolition and reconstruction of 775 public housing units, and including the construction of additional

affordable housing, new market rate housing, roadway, utility, and transportation improvements, and new neighborhood open space and social services.

The City and the Developer's commitment to this plan is memorialized in the Sunnydale Development Agreement, which must be recommended for approval by the Planning Commission and endorsed by the Recreation and Parks Commission, Department of Public Works Director, and San Francisco Municipal Transit Agency Board, before seeking final approval from the Board of Supervisors. Separately, the Developer and the City will enter into a Master Development Agreement ("MDA") with the property owner, the San Francisco Housing Authority, which will explicate rights and requirements related to land transfers and state and federal guidelines for public housing replacement.

#### **SPECIAL USE DISTRICT AND DESIGN CONTROLS:**

The DA is part of a larger regulatory approvals package that also includes a Planning Code text amendment creating a Special Use District ("SUD") for the Project Site, a companion Design Standards and Guidelines Document ("DSG"), a Planning Code map amendment, and a General Plan amendment. These design controls have been developed through lengthy discussions with Planning Department staff and community members to ensure that the urban, architectural, and landscape design of the buildings, public realm, and community improvements will be of high quality and appropriate scale, include sufficient open space, and promote public health, safety, and general welfare.

#### **VESTED DEVELOPMENT PROGRAM:**

The DA gives the Developer the vested right to develop the site during the DA's twenty-five year term. Vested elements consist of: locations and numbers of buildings; land uses and height and bulk limits; permitted uses; provisions for vehicular access and parking; and provision for new open spaces and public improvements. The housing development plan is divided into affordable parcels, which contain public housing replacement units and new affordable tax-credit units that will be constructed, owned and managed by the Developer, and market rate parcels, which are intended to be sold to independent private developers for the development of market rate units. As part of this vesting, development impact fees will not be assessed on the affordable parcels (which is consistent with existing Planning Code regulations), while market rate parcels will pay development impact fees in recognition of the large neighborhood investments being made.

Specifically, the Developer will have a vested right to develop **up to 1,770 new residential units**, which includes a required **minimum of 969 affordable and public housing units**, and an **anticipated 600 market rate units; 60,000 gross square feet of new**

**community-serving uses including retail; 3.6 acres of publicly accessible open space; approximately 1,437 off-street parking spaces (0.85 spaces per dwelling unit) in underground and at-grade parking garages, and 525 on-street parking spaces.** These rights will remain vested during the term of the DA.

**PUBLIC BENEFITS:**

The revitalization of this isolated, obsolete public housing site into a thriving vibrant mixed income community represents significant public benefit. In return for providing the Developer with the zoning changes and vested development program described above to achieve the revitalization vision, the City will receive a comprehensive package of public benefits. These benefits will be provided predominately in-kind through the construction of new roadways, utilities, community services, open spaces, and most critically through the provision of new housing for the existing public housing households and additional affordable units for low-income qualifying households.

**A. AFFORDABLE HOUSING PROGRAM**

The Developer is required to construct affordable housing units equal to at least 125% of the existing units on site, or a minimum of 969 affordable units. This includes a 1-for-1 replacement of the existing 775 public housing units and the addition of new low-income units. A mixture of both types of affordable units will be contained within each new affordable housing building.

- i. Public Housing Replacement Units: Replacement public housing units will be supported with Project-Based Section 8 rent subsidies or Rental Demonstration Program (RAD) rent subsidies and offered to existing Sunnydale public housing residents in good standing. The provisions for design, delivery, tenanting, and operations and maintenance of the replacement public housing units must be in accordance with applicable U.S. Department of Housing and Urban Development ("HUD") and SFHA regulations, HUD Section 18 application and award, and must comply with the terms of the MDA (including an approved relocation plan and conformance with the City's Right to Return Ordinance), and any other funding requirements.
- ii. Low-Income Units: New tax-credit units will be available to qualifying low-income households up to 60% of AMI. Households will be selected per the policies and procedures of the Mayor's Office of Housing and Community Development and will increase the City's affordable housing stock.

**B. PUBLIC INFRASTRUCTURE IMPROVEMENTS**

The Developer will be responsible for designing, developing, and installing all Public Infrastructure Improvements including roadways, sidewalks, stormwater management improvements in the public right-of-way, public utilities such as combined sewer, water, and power lines, bicycle paths in the public right of way, and transportation improvements. The City agrees to accept the project's completed Public Infrastructure Improvements, so long as those improvements have been designed and built to conform to all applicable City standards and the Project's design controls.

**C. OPEN SPACE**

The Developer will be responsible for designing, developing, and installing the 3.6 acres of open spaces on four development blocks. The Project includes a main neighborhood green and community orchard and garden located along Santos Street and Sunnydale Avenue, adjacent to the neighborhood's community and retail hub. There are additional pocket parks across the site. The project also plans for a new open space adjacent to and connecting to the existing Herz Playground and Coffman Pool operated by the San Francisco Recreation and Parks Department ("RPD"). The Developer or its successors will be responsible for the maintenance and operation of these privately owned public open spaces.

**D. COMMUNITY AND CHILDCARE FACILITIES**

The Developer will provide new childcare and community facilities in excess of today's existing site services. These facilities include two dedicated childcare centers, an indoor recreation center, and community space for a number of social service organizations. The project's SUD and design controls allow for new neighborhood-serving retail space concentrated at Sunnydale Avenue between Hahn and Santos Streets.

**E. WORKFORCE DEVELOPMENT PROGRAM**

The Developer will enter into a Memorandum of Understanding with the City's Office of Economic and Workforce Development ("OEWD") and the SFHA that outlines a specific workforce development program for the Project. In keeping with SFHA regulations and HOPE SF Initiative goals, the workforce program places particular emphasis on hiring qualifying public housing residents seeking employment (at least 25% of total workforce hours). Working through OEWD's Citybuild program, these residents will have the opportunity to attend job readiness training and training academies for specific trades. In addition, the Developer will participate in the City's Small Business Enterprise program, which sets a percentage goal to hire qualified small businesses for construction and professional services, and in SFHA Resolution 2444, which outlines a goal of 20% aggregate involvement

of Minority Business Enterprises/Women Business Enterprises in construction contracts and procurement activities. The Developer will pay prevailing wages in connection with all construction activities.

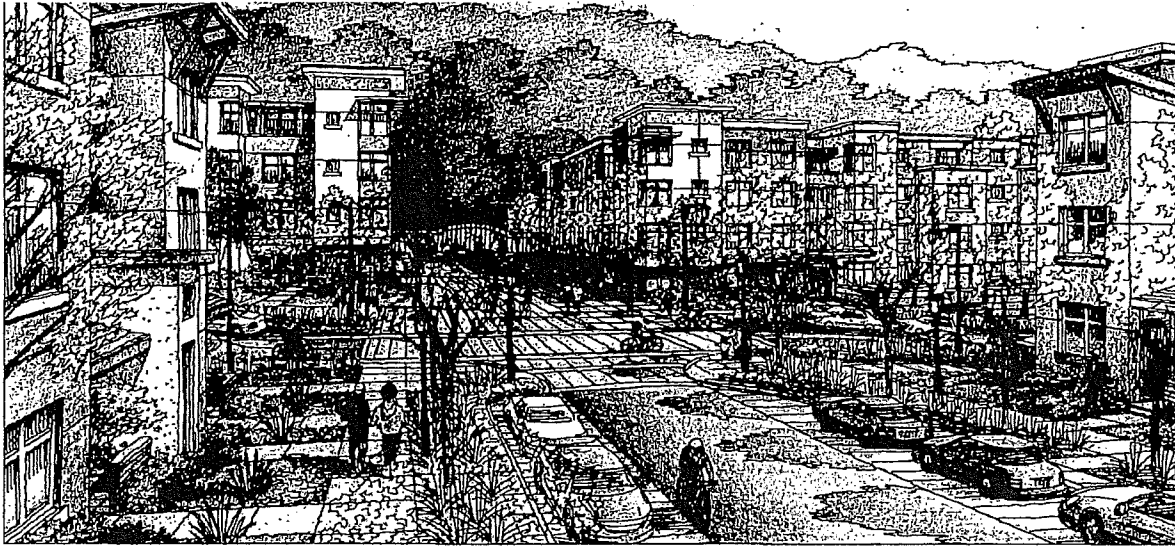
**F. MARKET RATE PARCELS**

The Developer will prepare each designated market rate parcel for development, including rough grading and utility hook-ups. These parcels will then be sold to independent market-rate developers with the DA's vested development rights and obligations retained on these parcels. Regulations and process for these land transfers are specified in the MDA. Market rate parcels are not required to include affordable units, however the City reserves the right to include deed-restricted moderate income units in these developments through the provision of gap funding for such units. The proceeds from sale of these market rate parcels will provide a critical source of funding for the implementation of the Project. Market rate developments will pay standard impact fees as outlined in the City's Planning Code.

**PROJECT DEVELOPMENT PHASING AND FUNDING:**

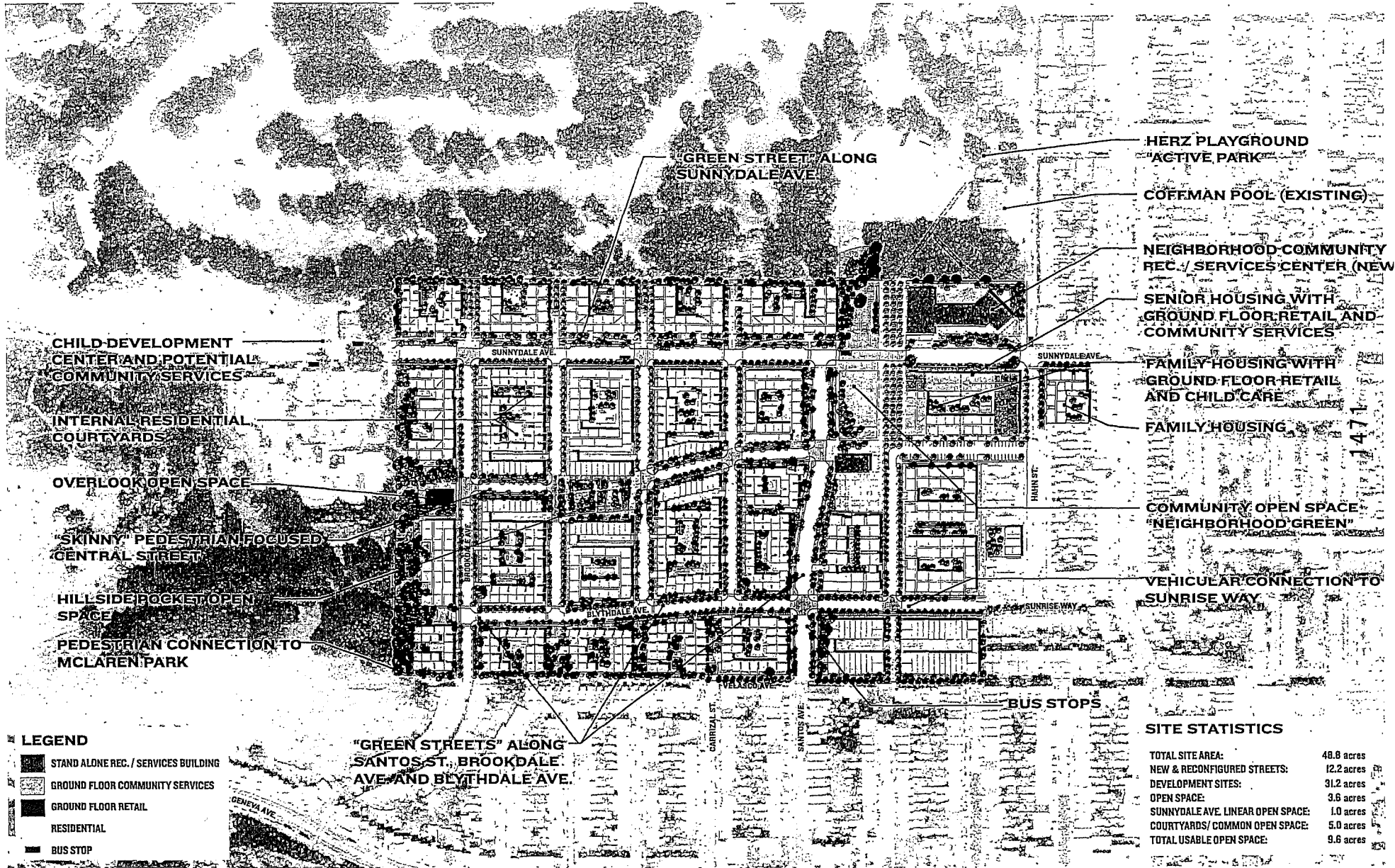
The City has emphasized the provision of affordable housing in the DA's Phasing Plan, which outlines the timing and scope of each development phase. The Project's public benefits shall be constructed proportionate to the development of the affordable housing. The Developer and the City have retained flexibility in the order and scope of each phase in order to be responsive to resident relocation needs and changes in funding for the Project. The exact timing and scope of each development phase will be based on funding availability. The City and the Developer will work collaboratively to secure state and federal subsidies for the affordable units, procure City funding appropriations for the construction of the new infrastructure and open spaces, and enable the provision of affordable housing through MOHCD "gap" financing. Each phase will have separate funding and loan agreements between the Developer and MOHCD that outline specific funding terms and responsibilities.

## SUNNYDALE HOPE SF



What	Today	Development Plan
Affordable housing units	775 public housing units	969 to 1,076 affordable rental units including units for existing Sunnydale/Velasco households to exercise Right to Return to a new construction unit, plus new affordable units for working families and extremely low income seniors
Market rate housing units	0	600-694 units
Community facilities on site	29,000 sq ft center with SFHA leasing office, health & wellness center, and after school programs	60,000 sq ft for neighborhood amenities, including retail, two early childhood learning centers, after school programs, family resource center, gym, multi-purpose and educational spaces.
Outdoor recreational space	Less than ½ acre of playgrounds and basketball court	3.6 acres on four blocks; Linear open space with multi-purpose path on Sunnydale Ave
Public Infrastructure	Curvilinear street pattern; failing utility infrastructure;	All new street grid with street trees, green stormwater infrastructure, lighting, transit related infrastructure; all new utilities.





# SUNNYDALE HOPE SF | MASTER PLAN

SAN FRANCISCO | OCTOBER 6, 2016 | MERCY HOUSING CALIFORNIA / THE RELATED COMPANIES OF CALIFORNIA



# SAN FRANCISCO PLANNING DEPARTMENT

November 28, 2016

Ms. Angela Calvillo, Clerk  
Supervisor Malia Cohen  
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 Number :**  
**2010.0305 E GPA PCT PCM DEV GEN SHD**  
**Sunnydale HOPE SF Master Plan Project**  
**BOS File No: \_\_\_\_\_ (pending)**  
**Planning Commission Recommendation: Approval**

Dear Ms. Calvillo and Supervisor Cohen,

On November 17, 2016 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinances.

The 50-acre HOPE SF site is located in the Visitacion Valley neighborhood and is generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the East and Velasco to the south. The subject amendments to the General Plan, Planning Code Text, Planning Code Map, and Development Agreement will enable the complete rehabilitation of this Housing Authority site, which include the following components: (1) construction of the public infrastructure to support the Project; (2) development of private, affordable housing on affordable parcels in accordance with an affordable housing plans to replace the existing Housing Authority affordable units and add additional affordable units; (3) development of private, market rate residential projects on market rate parcels; and (4) development of community improvements (e.g. open space areas, community facilities) throughout the Project. At completion, the Project would consist of up to 1,770 units (replacement affordable units, additional affordable units, and new market-rate units), completely reconfigured and reconstructed streets and new utility infrastructure, 3.6 acres of new open space and approximately 60,000 gsf of new neighborhood serving space. The Project would be constructed in multiple phases over 10 to 15 years.

The proposed Ordinances initiated by the Planning Commission and Board of Supervisors would amend the General Plan and the Planning Code and would enable the City to enter into a Development Agreement with the Project Sponsor, Mercy Housing and Related California, and the San Francisco Housing Authority. More specifically, the Ordinances would achieve the following:

1. **General Plan Amendments:** The General Plan Amendments would amend Map 4 of the Urban Design Element, "Urban Design Guidelines for the Heights of Buildings", and Map 03 of the Recreation and Open Space Element, "Existing and Proposed Open Space".

[www.sfplanning.org](http://www.sfplanning.org)

2. **Planning Code Text Amendments:** The Planning Code Text Amendments would add Section 249.75 to establish the Sunnydale HOPE SF Special Use District ("SUD"); and add Section 263.30 to establish Special Height Provisions for the Sunnydale HOPE SF Special Use District. Provisions in these new Planning Code sections would provide land use, building, and public improvement standards and design review procedures for the Project. The SUD would refer to a separate Design Standards and Guidelines ("DSG") document for fine-grained requirements for the project's build out.

Since the Board of Supervisor's initiation, Planning staff recommended additional edits to the proposed SUD language. The edits are to assure consistency between the SUD and the DA and to clarify that community serving uses are principally permitted. The Planning Commission's action approved these edits as indicated in their Resolution.

3. **Zoning Map Amendments:** The Map Amendments would (1) rezone the parcels on the southwest corner of Hahn and Sunnydale from NC-1 (Neighborhood Commercial, Cluster) to RM-1(Residential, Mixed, Low Density), (2) amend Sectional Map SU11 of the Zoning Map to assign the all of subject parcels to the new Sunnydale HOPE SF Special Use District, and (3) amend Sectional Map HT11 of the Zoning Map to reassign the all of the subject parcels from 40-X and 50-X to 40/65-X height designation.
4. **The Development Agreement.** The Development Agreement would be between the Project Sponsor, the City and County of San Francisco and the San Francisco Housing Authority and would establish development vesting rights on behalf of the Project Sponsor in exchange for the requirement to construct and operate community benefits, including but not limited to all new streets, 3.6 acres of open space, 60,000 gsf of community serving uses including retail.

The proposed Amendments were analyzed in the *Potrero HOPE SF Environmental Impact Report / Environmental Impact Statement* (the "EIR/EIS"). The Commission certified the EIR/EIS on July 9, 2015 with Motion No. 19704 and adopted CEQA findings on November 17, 2016 with Motion No. 19784.

At the November 17, 2016 hearing, the Commission voted to recommend approval of the proposed Ordinances. Please find attached documents relating to the Commission's action. A original hard copy of the General Plan Amendment Ordinance plus two duplicates will be delivered to the Clerk's Office following this transmittal.

If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D. Starr  
Manager of Legislative Affairs

**Transmittal Materials**

**2010.0305 E GPA PCT PCM DEV GEN SHD  
Sunnydale HOPE SF Master Plan Project**

cc:

Yoyo Chan, Aide to Supervisor Malia Cohen  
Robb Kapla, Deputy City Attorney  
Alisa Somera, Office of the Clerk of the Board  
John Carroll, Office of the Clerk of the Board  
Leigh Lutenski, Office of Economic and Workforce Development

Attachments (one copy of the following):

Planning Commission Resolution No. 19786	(General Plan Amendments)
Planning Commission Resolution No. 19787	(Planning Code Text Amendments)
Planning Commission Resolution No. 19788	(Zoning Map Amendments)
Planning Commission Resolution No. 19789	(Development Agreement)

Planning Commission Executive Summary for Case No. 2010.0305 E GPA PCT PCM DEV GEN SHD

General Plan Draft Ordinance

Planning Code Text Draft Ordinance

Zoning Map Draft Ordinance

Planning Commission Motion No. 19785 (CEQA Findings)

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# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary HEARING DATE: NOVEMBER 17, 2016

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

*Date:* November 11, 2016  
*Case Nos.:* 2010.0515 E GPA PCT PCM DEV GEN SHD  
2010.0305 E GPA PCT PCM DEV GEN SHD  
*Project Address:* **Potrero HOPE SF**  
**Sunnydale HOPE SF**  
*Zoning:* *Potrero:* RM-2 (Residential – Mixed, Moderate Density)  
*Sunnydale:* RM-1 (Residential – Mixed, Low Density)  
*Both:* 40-X Height and Bulk Districts  
*Potrero:* Showplace Square/Potrero Area Plan  
*Block/Lot:* *Potrero:* Assessor's Block 4167/ 004 and 004A; 4220A/ 001; 4222A/, 001;  
4285B/ 001, 4223/ 001; 4287/001A and 007  
*Sunnydale:* Assessor's Block / Lots: Assessor's 6356/ 061, 062, 063, 064, 065,  
066, 067 and 068; 6310/ 001; 6311/001; 6312/ 001; 6313/001; 6314/ 001;  
6315/001  
*Project Sponsor:* *Potrero:* BRIDGE Housing Corporation  
600 California Street, Suite 900  
San Francisco, CA 94108  
*Sunnydale:* Mercy Housing and Related California  
. 1360 Mission Street, #300  
San Francisco, CA 94103  
*Staff Contact:* Mat Snyder – (415) 575-6891  
[mathew.snyder@sfgov.org](mailto:mathew.snyder@sfgov.org)

### SUMMARY

On November 17, 2016, the Planning Commission will consider a series of approval actions related to the Sunnydale HOPE SF and Potrero HOPE SF Master Plan Projects. Over the last year and a half, and more recently in the last couple of months, the Commission has taken various actions and heard informational hearings about the HOPE SF Program in general, and these two projects more specifically. Actions taken thus far have included Certification of the Sunnydale EIR, Certification of the Potrero EIR, Adoption of CEQA Findings and Adoption of General Plan Findings for Potrero, approval of zoning map changes for 1101 Connecticut Street (aka "Block X") for Potrero, and Initiation of General Plan amendments for both. The Commission has also heard information hearings about the HOPE SF Program in general in July 2015 and October 2015, and on each project individually prior to CEQA Certification for each. The following is a summary of actions that the Planning Commission will consider at the hearing, which are required to implement the Projects:

For both Projects:

1. Approval of Amendments to the General Plan
2. Approval of Planning Code Text Amendments (establishing new SUDs)

3. Approval of Planning Code Map Amendments
4. Approval of Design Controls and Guidelines ("DSGs") documents
5. Approval of Development Agreements ("DAs")
6. Adoption of Shadow Findings (Planning Code Section 295)

For Sunnydale only:

1. Adoption of CEQA Findings
2. Adoption of Master General Plan Findings and Findings of Consistency with Planning Code Section 101.1

## PROJECT BACKGROUND – HOPE SF

With the end of Hope VI Federal funding, which had been used for several previous San Francisco Housing Authority revitalization efforts, City officials recognized the need to find a new strategy to rebuild the City's largest Housing Authority sites. The Mayor and Board of Supervisors appointed a task force, which published "HOPE SF: Rebuilding Public Housing and Restoring Opportunities for its Residents" in 2007. This document initiated the HOPE SF Program and its guiding "HOPE SF Principles". Part of this strategy is to take advantage of the relatively underdeveloped character of Housing Authority sites by planning for greater densities. A portion of the additional densities would be low-income affordable housing, and market-rate housing that would help cross finance the reconstruction of Housing Authority units and reduce the concentration of poverty on the site. The HOPE SF Principles also dictate that the reconstruction of these sites specifically take into account the need for supportive non-residential uses, such as childcare and resident-serving retail. As yet another goal, HOPE SF seeks to mend the broken San Francisco street grid and lack of connectivity characterized by the Housing Authority sites by reasserting a development pattern more in keeping with surrounding neighborhoods.

The Sunnydale and Potrero project sponsor teams were selected on 2007. As selected Master Developers, their initial task was to engage with the Housing Authority residents and local communities in developing new site plans for the projects. This effort included hosting multiple meetings and other events over the course of about two years that looked at current conditions, residents' needs and desires, and establishing strategies to integrate the sites' into the surrounding City fabric. After the site plans had been prepared, the Projects began their environmental review processes and engagement with Planning staff on developing a set of development regulations that would implement the newly created visions.

## PROJECT DESCRIPTION – SUNNYDALE

The Sunnydale site consists of approximately 50 acres in the Visitacion Valley and contains 93 residential buildings, 775 occupied public housing units, and a 29,500 square foot community center. The Sunnydale site is generally bounded by McLaren Park (Gleneagles Golf Course and Herz Playground) to the north, other portions of McLaren Park and Amazon Playground to the west, Parque Drive and Velasco Avenue to the south, and Hahn Street to the east. The Sunnydale site currently features broad curvilinear streets that do not relate to the surrounding street pattern and includes only six large super blocks.

The Sunnydale HOPE SF Master Plan project ("Project") includes demolishing all existing units, vacating

portions of the right of way and building new streets that would better relate to the existing street grid. The Project would transform the six existing super blocks into about 34 new fine-grained blocks. The site is designed with a central "Hub" that would feature a series of parks, open spaces, a community center, space for retail, and other community-serving uses.

At completion, the Project would include up to 1,770 units, including Housing Authority replacement units (775 units), a mix of additional affordable units (a minimum of approximately 200 low-income units), and market rate units (up to 694 units). New buildings within Sunnydale would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types would be constructed throughout including individual townhomes, small apartment buildings and larger corridor apartment buildings. Approximately 1,437 parking spaces would be provided for the units. Approximately 60,000 gross square feet of community serving uses, including retail, would also be constructed.

The project would be constructed in at least three main phases over at about 25 years. Phasing timing would be contingent on market forces and the availability of financing.

## PROJECT DESCRIPTION – POTRERO

The Potrero HOPE SF site consists of approximately 39 acres (including streets) and is located on the southern and eastern slopes of Potrero Hill. The site, currently known as Potrero Terrace and Potrero Annex features 61 low slung buildings that are constructed perpendicular to the site's steep slopes. The site's streets diverge from the typical Potrero Hill street grid and cross the site at a diagonal, creating four very large super blocks. This, along with the lack of typical street and pedestrian connectivity make the existing development feel disconnected from the rest of the neighborhood and City.

As a HOPE SF project, this development aims to remedy these issues. The Project includes demolishing all existing units vacating portions of the right of way that currently cross the site diagonally, and building new streets that would better continue the existing street grid. The Project would transform the four existing super blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new "Main Street" along a newly established segment of 24<sup>th</sup> Street; this new segment of 24<sup>th</sup> Street would be aligned with commercial and community uses, and parks and open space.

At completion the Potrero HOPE SF Project would include up to 1,700 units, including Housing Authority replacement units (619 units), a mix of additional affordable units (a minimum of approximately 200 low-income units), and market rate units (maximum of 800 units). New buildings would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade.

The public realm would be enhanced with improved connectivity to the existing street grid by continuing Arkansas and Texas Streets where they currently dead end, and adding two new east-west streets. The Plan calls for pedestrian ways along Connecticut, 23<sup>rd</sup>, and elsewhere where the grade is too steep for

vehicular traffic.

The project would be constructed in approximately five main phases over about 25 years. Phasing timing would be contingent on market forces and the availability of financing.

## PLANNING COMMISSION REQUIRED ACTIONS FOR THE PROJECTS

As summarized above, the Planning Commission will be required to take several actions to approve the Project. Below are more detailed descriptions of the actions.

### General Plan Amendments

On September 15, 2016, the Planning Commission adopted Resolutions 19737 and 19738 initiating General Plan amendments for Sunnydale and Potrero, respectively. The amendments would (a) amend Map 03, "Existing and Proposed Open Space" of the Recreation and Open Space Element so that new open space within the two sites are reflected in the map; and (b) amend Map 4, "Urban Design Guidelines for Heights of Buildings" of the Urban Design Element so that the two sites are shaded with the height designation of 50 – 88 feet.

### Planning Code Text Amendments

On October 24, 2016, the Board of Supervisors initiated ordinances that would amend the Planning Code by adding new Special Use Districts ("SUDs") for Sunnydale (Planning Code Section 249.75) and Potrero (Planning Code Section 249.76). The new SUDs, which are almost identical in format, provide specific land use and development controls for the two sites. For most design controls, the SUDs refer to separate Design Standards and Guidelines documents, for which the Commission will also be taking action (see below). On top of providing specific design and land use controls, the SUDs also provide design review procedures for these multi-phased projects. The Design Review procedures include three aspects of review:

- (a) *Phase Review*: an overarching "phase" review is proposed to occur prior (or at least concurrently with) design of actual buildings and community facilities. The Phase review would assure that the Master Developers are moving forward with infrastructure and community improvement development at the same time as development of buildings per the established phasing plan and schedule of improvements.
- (b) *Design Review – Buildings*: the design review of buildings would be similar to typical Planning Department review except that in-lieu of including 311 Notification and DR procedures, the Master Developers will be required to hold regular meetings with the community on the projects' ongoing progress. Consistent with other DA design review processes established for Treasure Island, ParkMerced, and Schlage Lock, the design review will include procedures for "Minor" and "Major" modifications, with only applications for Major Modifications being brought before the Planning Commission for approval. (The Director would also have the discretion of bringing Design Review applications to the Commission for review and comment.)
- (c) *Design Review – Community Improvements*: the design review of parks, opens spaces, and community facilities would have a similar design review process as that for buildings. However, for parks that would be owned the Recreation and Parks Department, the design process would be led by RPD staff and Planning's review process would be superseded by RPD's process. It



should be noted that design for streets and rights-of-way would be facilitated by San Francisco Public Works and not by Planning; Planning, however, would continue to play a key role in reviewing designs for the streets.

On top of adding new Planning Code Section 249.75 and 249.76, the text amendments will add new Planning Code Section 263.30 and 263.31, which would address height controls for the two SUDs. The Sections would refer to the DSGs for more specifics of height restrictions on a block-by-block basis.

#### **Proposed Changes to the SUDs since the Board of Supervisors Introduction**

Since the Board of Supervisors introduced the Text Change Ordinances, staff has further reviewed the text with the Development Agreements, and is now proposing changes to the text to: (1) clarify what uses are principally permitted; (2) assure consistency between the SUD and the Development Agreement; and (3) provide additional provisions for interim uses that would serve the residents and further the phasing of the project while the projects are being implemented.

The additional language makes it clear that community-serving, such as child care, health clinics and other community facilities uses are principally permitted regardless of their size.

The additional language makes the community meeting, notification, and reporting requirements for each stage of review consistent with the process described in the DA. The overall intention is to require the Project Sponsors to be out in the community providing updates regularly in lieu of typical 311 notifications. Specifically, the DA requires at least one meeting per year regardless of progress on the Projects, and a pre-application community meeting be held prior to each application (Development Phase, Design Review for Buildings, and Design Review for Community Improvements). Such meetings would be conducted per Department standards. It is understood that meetings could be combined with other regularly scheduled meetings as long as they are noticed, held, and memorialized per Department procedures.

The additional language also includes provisions for interim uses, including temporary structures, where such structures would house resident-serving community uses, such as health clinics.

Finally, minor miscellaneous clarifications are provided.

Included in the attachments, are the SUD Ordinances as introduced by the BOS, followed by redlined proposed changes as described above. Staff is recommending that you approved the Ordinances, and recommend to the Board of Supervisors that they incorporate the changes now proposed by staff.

#### **Planning Code Map Amendments**

On October 24, 2016, the Board of Supervisors initiated ordinances that would map the new Sunnydale and Potrero HOPE SF SUDs and 40/65-X Height and Bulk Districts across the two sites on the Planning Code's official Special Use District and Height Zoning Maps. In addition, for Sunnydale, the parcels at the southeast corner of Hahn and Sunnydale (across Hahn from the Housing Authority-owned parcels and referred to as "Parcel Q") would be remapped from its current underlying Use District of NC-1 to RM-1 (the same Use designation as the rest of the Sunnydale site).

### **Design Standards and Guidelines (DSG)**

The primary documents that would regulate the physical development of the Projects are the Design Standards and Guidelines documents. These documents are proposed to be the key source for development controls for buildings and the public realm. Unlike the Planning Code, which largely assumes an established block, lot, and street pattern the DSGs also address street layout, open space and blocks, and establish overarching strategies for placement of uses and buildings relative to street and open space typologies. The DSGs would be incorporated into the Planning Code by reference. Any future substantive amendments to the DSGs would need to be approved by the Planning Commission.

### **Development Agreements**

The Development Agreements between the City, the Housing Authority, and the two Master Developers will set forth vesting rights for the Master Developers and establish a set of committed public benefits for each of the two sites. Vested elements consist of: locations and numbers of buildings, land uses and height and bulk limits, permitted uses, provisions for vehicular access and parking, and provision for new open spaces and public improvements. The housing development plan is divided into affordable parcels, which contain public housing replacement units (approximately 619 for Potrero and 775 for Sunnydale), and new additional affordable units (approximately 150 for Potrero and 194 for Sunnydale) that will be constructed, owned and managed by the Developer, and market rate parcels, which are intended to be sold to independent private developers for the development of market rate units (approximately 800 for Potrero and 600 for Sunnydale). Development impact fees will not be assessed on the affordable parcels (per the Planning Code). For Potrero, market rate parcels will pay development impact fees equivalent to the Eastern Neighborhoods fees that would be used for public improvements on-site rather than for the greater Eastern Neighborhoods.

On top of the affordable housing described above, the City will receive a comprehensive package of public benefits, including but not limited to: new roadways (built to Better Streets standards), utilities, community services, parks, and open spaces. The project will be phased over a period of not more than 25 years.

### **Shadow Impact Finding**

Pursuant to Planning Code Section 295, no net new shadow, as described within the Planning Code, is allowed to be created by new development on a Recreation and Park Department property, unless the Planning Commission, in consultation with Recreation and Park's General Manager and the Recreation and Park Commission, makes findings that the new shadows are insignificant. Incorporated into each of the environmental reviews for the two Projects are detailed shadow analyses prepared pursuant per Department standards. The analyses describe net new shadows<sup>1</sup> cast on adjacent parks (Potrero Recreation Center for the Potrero project, and McLaren Park (Gleneagles Golf Course and Herz Playground) for Sunnydale) by development proposed by the HOPE SF Program. For both projects, the

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<sup>1</sup> Net new shadow is quantified as "net new shadow hours", which is calculated as the area of new shadow created by new development times the hours that such shadows are cast over the course a day. New shadow impacts are only considered for buildings over 40-feet.

respective EIR/EISs found the new shadows to be insignificant. Planning staff is requesting that the Planning Commission adopt Shadow Impact Findings for both entire sites to enable development to move forward and obviating the need for separate shadow analyses and processes for each building permit.

Consistent with the EIR/EISs, Planning staff finds that the shadow impacts are neither significant nor adverse. For the Potrero Project and the adjacent Potrero Recreation Center, the shadow study has determined that less than one percent of additional shadow would be added to the park. It should be noted that maximum building heights on a number of the blocks have been reduced since the shadow study was completed, which means shadow impacts would be even less than studies.

For Sunnydale and the adjacent park, McLaren Park, the shadow study has determined that less than .1 percent of additional shadow would be added to McLaren Park from buildings taller than 40-feet. Additionally, no new shadow would be cast on the Herz Playground portion of McLaren Park.

**ENVIRONMENTAL REVIEW**

Environmental review has been completed for both Projects.

On July 9, 2015 by Motion No. 19409, the Planning Commission certified the Sunnydale EIR.

On December 10, 2015 by Motion No. 19529, the Planning Commission certified the Potrero EIR. The Planning Commission also adopted CEQA finding by Motion No. 19529 for the Potrero Project.

**HEARING NOTIFICATION AND PUBLIC COMMENT**

Below is a summary of the completed notifications of this hearing required under the Planning Code.

**HEARING NOTIFICATION**

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	October 26, 2016	October 26, 2016	20 days
Posted Notice	[not required]			
Mailed Notice	10 days	November 7, 2016	November 4, 2016	14 days

As of the date of this Report, staff has not received any comments on either of the proposals.

The HOPE SF Program includes ongoing community engagement. For Potrero, the Master Developer holds regular monthly meetings with the site's residents and neighbors as part of its Community Building Group. In addition, the Master Developer frequently engages with local community groups such as the Potrero Boosters.

Similar to Potrero, the Sunnydale Master Developer holds regular meetings with residents and the local community. Specific to these master approvals, the Master Developer also held two meetings on July 30, 2016 and August 2, 2016 to discuss the entitlements.

## BASIS FOR RECOMMENDATION

Department staff is recommending that the Planning Commission adopt all of the subject Resolutions and Motions in furtherance of the Project:

1. The Projects and all Commission actions thereto would enable the HOPE SF Program to be implemented at the Potrero and Sunnydale sites. The HOPE SF Program is the City's signature affordable housing program, particularly towards the goal of addressing chronic poverty in the City's most disadvantaged communities.
2. The HOPE SF Program includes robust community-building components that include providing access to social services, including child care, job training, and other community programs.
3. The Projects would completely rebuild the two sites over several years. The newly constructed communities would include new parks, open spaces, streets, and infrastructure.
4. The proposed layout of the two HOPE SF sites are designed with new street networks that will be much more integrated into the surrounding neighborhoods. The new streets would be constructed to Better Streets standards.
5. The proposed site plans include new parks, open spaces, and other recreational and community facilities that will not only serve the site's residents but the larger neighborhood and City as well.
6. The proposed site plans break down the scale of blocks to a scale that is much more typical of San Francisco urban fabric. The new finer-grained block patterns will enable much easier access through the site for pedestrians and bicyclists.
7. The proposed SUDs and DSGs allow for a mix of uses that are essential for a vibrant community.
8. The proposed SUDs and DSGs provide controls and guidelines that will assure that buildings are varied and broken down to the human scale.
9. The proposed SUDs and DSGs provide controls that will assure that buildings face the street and open spaces with active uses provide eyes-on-the-street and an engaging public realm.
10. The Development Agreements provide certainty of the Projects' community benefits and the means to deliver them that is beyond what would otherwise be required by City Codes.
11. Shadow impacts from the new buildings on adjacent parks were studied as part of the EIR/EISs and found to be insignificant. The shadow findings provided as a part of these approvals confirm these conclusions and will enable more efficient delivery of the projects over time.
12. The Master Developers have been working very closely with their respective communities in developing the site plans in accordance with the HOPE SF Programs, and have plans going forward for ongoing community communication and engagement.

**RECOMMENDATION:** Approve both the Sunnydale HOPE SF Project and the Potrero HOPE SF Project.

### Attachments:

#### For Sunnydale

1. Sunnydale Project Description Summary, Site Map and Phasing Map
2. Draft Motion adopting CEQA Findings
  - Exhibit A – CEQA Findings

3. Draft Motion Adopting General Plan Findings and Findings of Consistency with Planning Code Section 101.1
  - Exhibit A - General Plan and Planning Code Section 101.1 Findings
4. Draft Resolution Approving General Plan Amendments
  - Legislative Digest
  - Draft Ordinance Amending Map 4 of the Urban Design Element and Map 03 or the Recreation and Open Space Element
  - Revised Map 4 of the Urban Design Element
  - Revised Map 03 of the Recreation and Open Space Element
5. Draft Resolution Approving Planning Code Text Amendments
  - Legislative Digest
  - Draft Ordinance Amending the Planning Code by Adding Planning Code Section 249.75 and 263.30, the Sunnydale HOPE SF SUD
6. Draft Resolution Approving Map Amendments
  - Legislative Digest
  - Draft Ordinance Amending Map ZN11, SU11 and HT11
  - Maps Showing Revised Zoning
7. Draft Motion Approving the Sunnydale Design Standards and Guidelines Document
  - Draft Sunnydale Standards and Guidelines Document
8. Draft Motion Adopting Section 295 Findings
  - Shadow Analysis for Sunnydale
9. Draft Resolution Approving the Development Agreement
  - Draft Sunnydale Development Agreement between the City, and San Francisco Housing Authority, and Sunnydale Development Company, LLC including Exhibits

**For Potrero**

1. Potrero Project Description Summary, Site Map and Phasing Map
2. Draft Resolution Approving General Plan Amendments
  - Legislative Digest
  - Draft Ordinance Amending Map 4 of the Urban Design Element and Map 03 or the Recreation and Open Space Element
  - Revised Map 4 of the Urban Design Element
  - Revised Map 03 of the Recreation and Open Space Element
3. Draft Resolution Approving Planning Code Text Amendments
  - Legislative Digest

**Executive Summary**  
**Hearing Date: November 17 2016**

**Potrero HOPE SF**  
**2010.0515 E GPA PCT PCM DEV GEN SHD**  
**Sunnydale HOPE SF**  
**2010.0305 E GPA PCT PCM DEV GEN SHD**

- Draft Ordinance Amending the Planning Code by Adding Planning Code Section 249.75 and 263.30, the Potrero HOPE SF SUD
- 4. Draft Resolution Approving Map Amendments
  - Legislative Digest
  - Draft Ordinance Amending Map SU08 and HT08
  - Maps Showing Revised Zoning
- 5. Draft Motion Approving the Potrero Design Standards and Guidelines Document
  - Draft Potrero Standards and Guidelines Document
- 6. Draft Motion Adopting Shadow Findings
  - Shadow Analysis for Potrero
- 7. Draft Resolution Approving the Development Agreement
  - Draft Potrero Development Agreement between the City, and San Francisco Housing Authority, and Bridge Housing, including Exhibits

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# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 19789 Sunnydale Development Agreement

HEARING DATE: NOVEMBER 17, 2016

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

*Case No.:* 2010.0305 E GPA PCT PCM DEV GEN SHD  
*Project Address:* Sunnydale HOPE SF Master Plan Project  
*Zoning:* RM-1 (Residential – Mixed, Moderate Density)  
 40-X Height and Bulk Districts  
*Block/Lot:* Assessor's Block/Lots: 6356/ 061, 062, 063 ,064, 065, 066, 067 and 068; 6310/  
 001; 6311/001; 6312/ 001; 6313/001; 6314/ 001; 6315/001  
*Project Sponsor:* Mercy Housing and Related California  
 1360 Mission Street, #300  
 San Francisco, CA 94103  
  
*Staff Contact:* Mat Snyder – (415) 575-6891  
[mathew.snyder@sfgov.org](mailto:mathew.snyder@sfgov.org)

APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, AND SUNNYDALE DEVELOPMENT COMPANY, LLC, FOR CERTAIN REAL PROPERTY LOCATED AT THE SUNNYDALE AND HOUSING AUTHORITY SITES AND AT 1491 SUNNYDALE, COMPRISED OF ASSESSOR'S BLOCKS AND LOTS BLOCK 6356, LOTS 061, 062, 063, 064, 065, 066, 067 AND 068; BLOCK 6310, LOT 001; BLOCK 6311, LOT 001; BLOCK 6312, LOT 001; BLOCK 6313, LOT 001; BLOCK 6314, LOT 001; AND BLOCK 6315, LOT 001 ALTOGETHER CONSISTING OF APPROXIMATELY 50 ACRES FOR A TERM OF TWENTY-FIVE (25) YEARS AND MAKING VARIOUS FINDINGS, INCLUDING CEQA FINDINGS AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which and request for a development agreement will be processed and approved in the City and County of San Francisco.

In 2008, Mercy Housing, now Sunnydale Development Co., LLC, ("Project Sponsor") was selected by the Mayor's Office of Housing and Community Development (hereinafter "MOHCD") (then, the Mayor's Office of Housing) and the Housing Authority of the City and County of San Francisco to work with the local Sunnydale and Velasco and surrounding Visitacion Valley communities to create a Master Plan for the site that would not only include reconstructed Housing Authority units, but additional affordable units along with market rate units, neighborhood serving retail, community service, new parks and open space, and new streets and infrastructure ("The Sunnydale HOPE SF Master Plan

Project" or "Project"). As a part of the HOPE SF selection process, the Project Sponsor was also selected to act as the Master Developer for the Project.

HOPE SF is the nation's first large-scale public housing transformation collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for current public housing residents through deep investment in education, economic mobility, health and safety.

The Sunnydale HOPE SF Master Plan project ("Project") includes demolishing all existing units, vacating portions of the right of way and building new streets that would better relate to the existing street grid. The Project would transform the six existing super blocks into about 34 new fine-grained blocks. The site is designed with a central "Hub" that would feature a series of parks, open spaces, a community center, space for retail, and other community-serving uses.

At completion, the Project would include up to 1,770 units, including Housing Authority replacement units (775 units), a mix of additional affordable units (a minimum of approximately 200 low-income units), and market rate units (up to 694 units). New buildings within Sunnydale would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types would be constructed throughout including individual townhomes, small apartment buildings and larger corridor apartment buildings. Approximately 1,437 parking spaces would be provided for the units largely below grade. Approximately 60,000 gross square feet of community serving uses, including retail, would also be constructed.

As the selected Master Developer, the Project Sponsor applied to the Planning Department to enter into a Development Agreement with the City under Administrative Code Chapter 56. The Planning Director accepted the application after it was deemed complete; published notice of acceptance in an official paper, and has made the application publicly available under Administrative Code Section 56.4(c).

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

As a City-sponsored project, this Development Agreement would not only provide certainty for the Master Developer and assure community benefits beyond what would otherwise be required, but would provide an overall framework for coordination among City and non-City agencies, the Project Sponsor and other parties who will carry out the implementation of the Sunnydale HOPE SF Master Plan Project ("Project") over its 25-year term.

This Resolution approving Development Agreement is a companion to other legislative and other approvals relating to the Sunnydale HOPE SF Project, including General Plan Amendments, Planning Code Text Amendments, Planning Code Map Amendments, the approval of the Sunnydale Design Standards and Guidelines document, and Shadow Impact Findings pursuant to Planning Code section 295.

On July 9, 2015, the Planning Commission reviewed and considered the Final EIR/EIS for the Sunnydale HOPE SF Project and found the Final EIR/EIS was adequate, accurate and objective, reflected



Resolution No. 19789  
November 17, 2016

Case No 20103050. E GPA PCT PCM DEV GEN  
Sunnydale HOPE SF Master Plan Project  
Approval of Development Agreement

the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR/EIS, and approved the Final EIR/EIS for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

On July 9, 2015, by Motion No. 19409, the Commission certified the Final Environmental Impact Report ("FEIR") as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"); and

On November 17, 2016, by Motion No. 19784, the Commission adopted findings in connection with its consideration of, among other things, the adoption of amendments to the General Plan and related zoning text and map amendments, under CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code and made certain findings in connection therewith, which findings are hereby incorporated herein by this reference as if fully set forth; and

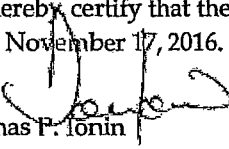
On November 17, 2016, by Motion No. 19785, The Commission adopted findings establishing the Project, on balance, consistent with the General Plan and Planning Code Section 101.1; and

**NOW THEREFORE BE IT RESOLVED**, that the Commission approves the Development Agreement, in substantially the form attached hereto as Exhibit A;

**AND BE IT FURTHER RESOLVED**, that the Commission finds that the application, public notice, Planning Commission hearing, and Planning Director reporting requirements regarding the Development Agreement negotiations contained in Administrative Code Chapter 56 required of the Planning Commission and the Planning Director have been substantially satisfied in light of regular meetings held for the last eight years, the multiple public informational hearings provided by the Planning Department staff at the Planning Commission, and the information contained in the Director's Report regarding Sunnydale HOPE SF Development Agreement negotiations;

**AND BE IT FURTHER RESOLVED**, that the Commission authorizes the Planning Director to take such actions and make such changes as deemed necessary and appropriate to implement this Commission's recommendation of approval and to incorporate recommendations or changes from the San Francisco Municipal Transportation Agency Board, , the San Francisco Public Utilities Commission, the San Francisco Recreation and Park Commission, and/or the Board of Supervisors, provided that such changes do not materially increase any obligations of the City or materially decrease any benefits to the City contained in the Development Agreement attached as Exhibit A;

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on November 17, 2016.

  
Jonas P. Iorin  
Commission Secretary

AYES: Richards, Hillis, Johnson, Koppel, Melgar, Moore

NOES: None

ABSENT: Fong

ADOPTED: November 17, 2016



161164

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

**DEVELOPMENT AGREEMENT**

**BY AND BETWEEN**

**THE CITY AND COUNTY OF SAN FRANCISCO,**

**THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO**

**AND SUNNYDALE DEVELOPMENT CO., LLC**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
1. INCORPORATION OF PREAMBLE, RECITALS AND EXHIBITS .....	6
2. DEFINITIONS.....	6
3. EFFECTIVE DATE; TERM.....	20
3.1 Effective Date .....	20
3.2 Term.....	20
4. DEVELOPMENT OF PROJECT SITE.....	20
4.1 Development Rights.....	20
4.2 Project Phasing.....	21
4.3 Affordable Parcels .....	21
4.4 Market Rate Parcels .....	21
4.5 Public Infrastructure Improvements .....	22
4.6 Community Improvements .....	22
4.7 Transportation Demand Management Plan .....	22
4.8 Public Power .....	23
4.9 No Additional CEQA Review Required; Reliance on FEIR/EIS for Future Discretionary Approvals .....	23
4.10 Costa-Hawkins Rental Housing Act .....	24
5. COMMUNITY BENEFITS.....	26
6. OBLIGATIONS OF DEVELOPER .....	26
6.1 Development of the Project Site .....	26
6.2 Development by Transferees .....	27
6.3 Completion of Project.....	27
6.4 Project Costs .....	27
6.5 Contracting for Community Improvements and Public Infrastructure Improvements .....	27
6.6 Workforce Agreement MOU .....	28
6.7 Cooperation by Developer .....	29
6.8 Nondiscrimination.....	29
6.9 Prevailing Wages .....	29
6.10 City Cost Recovery.....	30
6.11 Nexus/Reasonable Relationship Waiver.....	32
6.12 Taxes.....	32
6.13 Indemnification.....	33
7. VESTING AND CITY OBLIGATIONS.....	33
7.1 Vested Rights .....	33
7.2 Existing Standards .....	34
7.3 Future Changes to Existing Standards.....	34
7.4 Fees and Exactions.....	39

7.5	Changes in Federal or State Laws.....	41
7.6	No Action to Impede Approvals.....	44
7.7	Priority Processing for Implementing Approvals.....	44
7.8	Criteria for Approving Implementing Approvals.....	44
7.9	Estoppel Certificates.....	46
7.10	Existing, Continuing Uses and Interim Uses.....	46
8.	MUTUAL OBLIGATIONS.....	47
8.1	Revocation or Termination.....	47
8.2	Agreement to Cooperate; Specific Actions by the City.....	47
8.2.1	Agreement to Cooperate.....	47
8.3	Non-City Approvals Cooperation to Obtain Permits.....	48
8.4	Cooperation in the Event of Third-Party Challenge.....	50
8.5	Permits to Enter City Property.....	51
8.6	Good Faith and Fair Dealing.....	51
8.7	Other Necessary Acts.....	52
8.8	Public Funding.....	52
9.	PERIODIC REVIEW OF DEVELOPER'S COMPLIANCE.....	52
9.1	Annual Review.....	52
9.2	Review Procedure.....	53
10.	ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES.....	55
10.1	Enforcement.....	55
10.2	Meet and Confer Process.....	55
10.3	Default.....	55
10.4	Remedies.....	57
10.5	Time Limits; Waiver; Remedies Cumulative.....	59
10.6	Attorneys' Fees.....	60
11.	FINANCING; RIGHTS OF MORTGAGEES.....	61
11.1	Developer's Right to Mortgage.....	61
11.2	Mortgagee Not Obligated to Construct.....	61
11.3	Copy of Notice of Default and Notice of Failure to Cure to Mortgagee.....	62
11.4	Mortgagee's Option to Cure Defaults.....	62
11.5	Mortgagee's Obligations with Respect to the Property.....	63
11.6	No Impairment of Mortgage.....	64
11.7	Cured Defaults.....	64
12.	AMENDMENT; TERMINATION; EXTENSION OF TERM.....	64
12.1	Amendment or Termination.....	64
12.2	Termination by Developer for Infeasibility.....	65
12.3	Termination and Vesting.....	66
12.4	Amendment Exemptions.....	66
12.5	Extension Due to Legal Action or Referendum; Excusable Delay.....	67
13.	TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE.....	69

13.1	Permitted Transfer of this Agreement.....	69
13.2	Transferee Obligations.....	72
13.3	Notice and Approval of Transfers.....	72
13.4	City Review of Proposed Transfer.....	74
13.5	Permitted Contracts.....	75
13.6	Release of Liability.....	75
13.7	Responsibility for Performance.....	76
13.8	Constructive Notice.....	76
13.9	Rights of Developer.....	77
14.	DEVELOPER REPRESENTATIONS AND WARRANTIES.....	77
14.1	Interest of Developer; Due Organization and Standing.....	77
14.2	No Inability to Perform; Valid Execution.....	78
14.3	Conflict of Interest.....	78
14.4	Notification of Limitations on Contributions.....	78
14.5	Other Documents.....	79
14.6	No Bankruptcy.....	79
14.7	Priority of Development Agreement.....	79
15.	MISCELLANEOUS PROVISIONS.....	80
15.1	Entire Agreement.....	80
15.2	Incorporation of Exhibits.....	80
15.3	Binding Covenants; Run With the Land.....	80
15.4	Applicable Law and Venue.....	81
15.5	Construction of Agreement.....	81
15.6	Project Is a Private Undertaking; No Joint Venture or Partnership.....	82
15.7	Recordation.....	82
15.8	Obligations Not Dischargeable in Bankruptcy.....	82
15.9	Survival.....	83
15.10	Signature in Counterparts.....	83
15.11	Notices.....	83
15.12	Limitations on Actions.....	84
15.13	Severability.....	84
15.14	MacBride Principles.....	85
15.15	Tropical Hardwood and Virgin Redwood.....	85
15.16	Sunshine.....	85
15.17	Non-Liability of City Officials and Others.....	86
15.18	Non-Liability of Developer Officers and Others.....	86
15.19	No Third Party Beneficiaries.....	86
15.20	SFHA Provisions.....	86

## EXHIBITS

- A. Project Site Legal Description
- B. Site Plan
- C. Project Description
- D. Affordable Housing Plan
- E. List of Public Infrastructure Improvements and Community Improvements
- F. Area of Private Maintenance and Operations Obligation Map
- G. Regulations Regarding Access and Maintenance Privately-Owned Community Improvements
- H. Impact Fees and Exactions
- I. Workforce Agreement MOU
- J. Phasing Plan
- K. Project Development and Phase Applications
- L. Mitigation Measures and MMRP
- M. Transportation Demand Management Plan
- N. Public Open Space Improvements and Park Dedication Process
- O. Public Financing
- P. Master Infrastructure Plan
- Q. Reserved
- R. Reserved
- S. Form of Assignment and Assumption Agreement
- T. Reserved
- U. Subordination Agreement
- V. Sample of City Acceptance Ordinance for Dedicated Infrastructure Improvements
- W. Maintenance and Operations of Public Power

**DEVELOPMENT AGREEMENT**

**BY AND BETWEEN**

**THE CITY AND COUNTY OF SAN FRANCISCO**

**THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO**

**AND SUNNYDALE DEVELOPMENT CO., LLC**

THIS DEVELOPMENT AGREEMENT dated for reference purposes only as of this \_\_\_\_ day of \_\_\_\_\_, 2016, 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, the HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, (“SFHA”) and SUNNYDALE DEVELOPMENT CO., a California limited liability company (“Developer”), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the Administrative Code. The City, SFHA and Developer 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 Article 2.

**RECITALS**

This Agreement is made with reference to the following facts:

- A. SFHA owns and operates 775 units of public housing on the approximately 50-acre site located in Visitacion Valley, all located on the real property more particularly described on Exhibit A (the “Project Site”).
- B. SFHA; City and Developer are parties to that certain Master Development Agreement (“MDA”), pursuant to which Developer will lead redevelopment of the Project Site



with a mixed use, mixed income development, all as more particularly described in the Site Plan attached hereto as Exhibit B and the detailed Project Description attached hereto as Exhibit C (the “**Project**”). Pursuant to the terms of the MDA, provided that that all applicable conditions precedent have been satisfied, SFHA will grant the Developer the right to perform site preparation work and will enter into a short-term ground lease for the construction of the Public Infrastructure Improvements. Under the MDA, SFHA will enter into long term ground leases with Developer prior to construction of vertical improvements (i.e., buildings) on the Affordable Parcels, subject to the satisfaction of certain conditions precedent set forth in the MDA.

C. The Project is part of HOPE SF, the nation’s first large-scale public housing transformation collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment by the City. HOPE SF, the City’s signature anti-poverty and equity initiative, is committed to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for current public housing residents through deep investments in education, economic mobility, health and safety. The Project will help realize and further the City’s HOPE SF goals.

D. As depicted in the Site Plan attached as Exhibit B, and described in greater detail in Exhibit C, the mixed-use Project consists of several different components: (i) construction of the “**Public Infrastructure Improvements**” to support the Project, in accordance with the Master Infrastructure Plan attached to this Agreement as Exhibit P; (ii) development of private, mixed-use affordable housing on the Affordable Parcels in accordance with the MDA and the Affordable Housing Plan attached to this Agreement as Exhibit D; (iii) development of private

residential projects on the Market Rate Parcels; and (iv) development of Community Improvements (e.g., open space areas, community facilities) throughout the Project Site.

E. The Project will be developed in phases (each, a “Phase”), in general conformity with the Phasing Plan attached to this Agreement as Exhibit J. Prior to commencing any construction work on the Project Site, Developer will prepare a “Phase Application” substantially in the form of Exhibit K, for City’s review and approval. The Phase Application will set forth the detailed scope and work plan for each development phase.

F. In order to meet its obligations under this Agreement, and as described in greater detail in Exhibit C and Article 13, below, Developer intends to assign its rights and obligations under this Agreement, subject to approval by the City and SFHA as applicable, and consistent with all transfer requirements under this Agreement, the MDA and any applicable ground leases, to related entities who will implement construction of discrete portions of the Project, including construction of the Public Infrastructure Improvements, development of the Affordable Parcels, construction of the Community Improvements, and preparation of the Market Rate Parcels for development (i.e., rough grading and supporting infrastructure) and management of a selection process in conjunction with SFHA and MOHCD to choose developers to develop projects on the Market Rate Parcels.

G. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864 *et seq.* (the “**Development Agreement Statute**”), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property. Pursuant to Government Code Section 65865, the City adopted Chapter 56 of the

Administrative Code (“Chapter 56”) establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute. The Parties are entering into this Agreement in accordance with the Development Agreement Statute and Chapter 56.

H. In addition to the significant housing, jobs, urban revitalization, and economic benefits to the City from the Project, the City has determined that as a result of the development of the Project in accordance with this Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies.

I. As the Sunnydale site is currently a publicly owned residential development for people with extremely low-incomes and is in significant disrepair, the City intends to fund the redevelopment of the Project Site as it is in the best interests of the City and promotes the public, health, safety and welfare of the Project Site. Specifically, the City will provide gap funding for the public right of way and Affordable Parcels through loans and grants to the Developer or through in-kind work by other City Agencies. Terms and conditions of the funding or in-kind work will be applied to the Project pursuant to separate funding agreements. The remaining funding for the Project will be obtained by the Developer, with support from the City.

J. 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.*; “CEQA Guidelines”), 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 the Developer's obligation to comply with all applicable Laws in connection with the development of the Project.

K. The joint Final Environmental Impact Report/Environmental Impact Statement ("FEIR/EIS") prepared for the Project and certified by the Planning Commission on November 17, 2016, together with the CEQA findings (the "CEQA Findings") and the Mitigation Measures adopted concurrently therewith and set forth in the MMRP, comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code, as well as the National Environmental Policy Act. The FEIR/EIS 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. **[On \_\_\_\_\_, the Board of Supervisors, in Motion No. M15-166, affirmed the decisions of the Planning Commission to certify the FEIR/EIS.]** The information in the FEIR/EIS and the CEQA Findings were considered by the City in connection with approval of this Agreement.

L. On November 17, 2016, the Planning Commission held a public hearing on this Agreement and the Project, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission adopted the CEQA findings and determined among other things that the FEIR/EIS thoroughly analyzes the Project, and the Mitigation Measures are designed to mitigate significant impacts to the extent they are susceptible to a feasible mitigation, and further determined that the Project and this Agreement will, as a whole, and taken in their entirety, continue to be 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”). The information in the FEIR/EIS and the CEQA Findings has been considered by the City in connection with this Agreement.

M. On \_\_\_\_\_, 2016, the Board of Supervisors, 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, approved this Agreement, incorporating by reference the General Plan Consistency Finding.

N. On \_\_\_\_\_, 2016, the Board adopted Ordinance Nos. \_\_\_\_\_ and \_\_\_\_\_, amending the Planning Code and Zoning Map to create the Sunnydale HOPE SF Special Use District (“Sunnydale SUD”), and adopted Ordinance No. \_\_\_\_\_, approving this Agreement (File No. \_\_\_\_\_) and authorizing the Planning Director to execute this Agreement on behalf of the City (the “Enacting Ordinance”). The Enacting Ordinance took effect on \_\_\_\_\_, 2016.

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

## AGREEMENT

### 1. INCORPORATION OF PREAMBLE, RECITALS AND EXHIBITS

The preamble paragraph, Recitals, and Exhibits, and all defined terms contained therein, are hereby incorporated into this Agreement as if set forth in full.

### 2. 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:

2.1 “Administrative Code” means the San Francisco Administrative Code.

2.2 **“Affiliate” or “Affiliates”** 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. Without limiting the foregoing, the term **“Affiliate”** or **“Affiliates”** shall also include single purpose limited partnerships in which a tax credit investor shall own a 99.99% interest in the limited partnership, formed for the purpose of developing housing and related improvements on the Affordable Parcels.

2.3 **“Affordable Housing”** means any unit with deed restrictions (or similar use restrictions) for occupancy by households with annual household incomes not exceeding sixty percent (60%) of AMI. Affordable Housing includes Resident Replacement Units and Community Replacement Units.

2.4 **“Affordable Housing Plan”** means the Affordable Housing Plan attached hereto as Exhibit D.

2.5 **“Affordable Parcels”** means the development parcels that contain 100% Affordable Housing units. The Affordable Parcels will be developed in accordance with the MDA and the Affordable Housing Plan attached hereto as Exhibit D. SFHA will retain ownership of the fee interest in the Affordable Parcels. Prior to construction of the vertical development (i.e., buildings), SFHA will grant a leasehold interest to Developer or its Transferee pursuant to a long term ground lease, subject to the satisfaction of certain conditions precedent set forth in the MDA.

2.6 **“Agreement”** means this Development Agreement, the Exhibits which have been expressly incorporated herein and any amendments thereto.

2.7 “AMI” means Area Median Income as defined by the California Tax Credit Allocation Committee as regulated and monitored by the City through the Loan Agreement.

2.8 “Applicable Laws” has the meaning set forth in Section 7.2 (where not capitalized, “applicable Law” has its plain meaning and refers to Laws as otherwise defined herein).

2.9 “Approvals” means the following land use approvals, entitlements, and permits relating to the Project that were approved by the Board concurrently with this Agreement: the General Plan amendment (Board of Supervisors Ord. No. \_\_\_\_\_), the Special Use District, which shall include both the Planning Code text amendment (Board of Supervisors Ord. No. \_\_\_ ) and the Zoning Map amendments (Board of Supervisors Ord. No. \_\_\_\_\_), and the Sunnydale Project Documents, all of which are incorporated by reference into this Agreement.

2.10 “Assignment and Assumption Agreement” has the meaning set forth in Section 12.2.

2.11 “BMR Unit” shall mean a unit that is priced to be affordable to households that are middle income, which shall be defined as an annual income of between sixty and one-hundred fifty percent (60%-150%) of AMI, as determined by MOHCD.

2.12 “Board of Supervisors” or “Board” means the Board of Supervisors of the City and County of San Francisco.

2.13 “Building” or “Buildings” means each of the existing, modified and new buildings on the Project Site, as described in the Project Description attached as Exhibit B.

2.14 “CEQA” has the meaning set forth in Recital J.

2.15 “CEQA Findings” has the meaning set forth in Recital K.

2.16 “CEQA Guidelines” has the meaning set forth in Recital J.

2.17 “Chapter 56” has the meaning set forth in Recital G.

2.18 “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.

2.19 “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 Site, including, without limitation, the City Administrator, Planning Department, MOHCD, OEWD, SFMTA, DPW, DBI, together with any successor City agency, department, board, or commission. Nothing in this Agreement shall affect the exclusive jurisdiction under the City’s Charter of a City department that has not approved or consented to this Agreement in connection with the issuance of an Implementing Approval.

2.20 “City Attorney’s Office” means the Office of the City Attorney of the City and County of San Francisco.

2.21 “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 Developer is the prevailing party.



2.22 “**City Report**” has the meaning set forth in Section 9.2.2.

2.23 “**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.

2.24 “**CMA**” has the meaning set forth in Section 13.1.3.

2.25 “**Community Benefits**” has the meaning set forth in Article 5.

2.26 “**Community Improvements**” shall mean any capital improvement or facility, on-going service provision or monetary payment, or any service required by the Approvals and this Agreement for the public benefit that is not: (1) a Mitigation Measure for the Project required by CEQA; (2) a public or private improvement or monetary payment required by Existing Standards or Uniform Codes (including, for example, utility connections required by Uniform Codes, the payment of Impact Fees and Exactions, and Planning Code-required open space); (3) Stormwater Management Improvements; (4) the privately-owned residential buildings constructed on the Project Site; or (5) Public Infrastructure Improvements. Furthermore, Community Improvements shall not include any units constructed on the Market-Rate Parcels. All Community Improvements required by the Approvals and this Agreement are described in the Phasing Plan. All Community Improvements are required as a condition of regulatory approval of the Project. Certain Community Improvements will be Privately-Owned Community Improvements. Exhibit G sets forth the provisions pertaining to the use, maintenance, and security of the Privately-Owned Community Improvements. All Privately-Owned Community Improvements are required as a condition of regulatory approval of the Project by the City.

2.27 “**Community Replacement Unit**” means a newly constructed rental unit within the Project Site intended to replace an existing unit within an Affordable Housing

Development but that is not necessary for the occupancy of an existing Sunnydale household. Community Replacement Units shall be created to the extent that SFHA provides project-based Operating Subsidy in amounts that allow for their financially feasible construction and operation, as financial feasibility is determined by the Parties. Occupancy of Community Replacement Units shall be income-restricted in accordance with the regulations governing the relevant Operating Subsidy.

2.28 “**Complete**” and any variation thereof shall mean, as applicable, that (i) a specified scope of work has been substantially completed in accordance with approved plans and specifications, (ii) the City Agencies or Non-City Responsible Agencies with jurisdiction over any required permits have issued all final approvals required for the contemplated use, and (iii) with regard to any Public Infrastructure Improvement, (A) the site has been cleaned and all equipment, tools and other construction materials and debris have been removed, (B) releases have been obtained from all contractors, subcontractors, mechanics and material suppliers or adequate bonds reasonably acceptable to the City posted against the same, (C) copies of all as-built plans and warranties, guaranties, operating manuals, operations and maintenance data, certificates of completed operations or other insurance within Developer’s possession or control, and all other close-out items required under any applicable authorization or approval, as may be needed, have been provided, and (D) the City Agencies, including DPW, DBI and SFPUC, as appropriate, or Non-City Responsible Agencies have certified the work as complete, if applicable by issuing a Certificate of Occupancy or Temporary Certificate of Occupancy for any structures or buildings under the City’s Building Code and a Certificate of Completion for any Public Infrastructure Improvements, operational according to the approved specifications and requirements, and ready for its intended use, and, if applicable, City has agreed to initiate acceptance of Public Infrastructure Improvements.

2.29 “**Construction Contract**” has the meaning set forth in Section 6.5.

2.30 “**Contractor**” has the meaning set forth in Section 6.5.

2.31 “**Costa-Hawkins Act**” has the meaning set forth in Section 4.10.1.

2.32 “**DBI**” means the San Francisco Department of Building Inspection.

2.33 “**Default**” has the meaning set forth in Section 10.3.

2.34 “**Design Standards and Guidelines**” means those certain Design Standards and Guidelines, adopted by the City Planning Commission by Resolution No. \_\_\_\_\_ on \_\_\_\_\_, as same may be amended from time to time.

2.35 “**Developer**” has the meaning set forth in the opening paragraph of this Agreement, and shall also include any and all successor Transferees of all or any part of the Project Site during the Term.

2.36 “**Development Agreement Statute**” has the meaning set forth in Recital G, as in effect as of the Effective Date.

2.37 “**Development Phase Approval**” has the meaning set forth on Exhibit K.

2.38 “**DPW**” means the San Francisco Department of Public Works.

2.39 “**Effective Date**” has the meaning set forth in Section 3.1.

2.40 “**Enacting Ordinance**” has the meaning set forth in Recital N.

2.41 “**Excusable Delay**” has the meaning set forth in Section 12.5.2.

2.42 “**Existing Standards**” has the meaning set forth in Section 7.2.

2.43 “**Existing Uses**,” means all existing lawful uses of the existing Buildings and improvements (and including, without limitation, pre-existing, non-conforming uses under the Planning Code) on the Project Site as of the Effective Date, as the same may be modified by the Approvals and any Implementing Approvals.

2.44 “**Federal or State Law Exception**” has the meaning set forth in Section 7.5.1.

2.45 “**FEIR/EIS**” has the meaning set forth in Recital K.

2.46 “**Future Changes to Existing Standards**” has the meaning set forth in Section 7.3.

2.47 “**Foreclosed Property**” has the meaning set forth in Section 11.5.

2.48 “**General Plan Consistency Findings**” has the meaning set forth in Recital L.

2.49 “**HUD**” means the United States Department of Housing and Urban Development.

2.50 “**Impact Fees and Exactions**” means any fees, contributions, special taxes, exactions, impositions and dedications charged by the City in connection with the development of Projects, including but not limited to transportation and transit fees, child care requirements or in-lieu fees, housing (including affordable housing) requirements or fees, dedication or reservation requirements, and obligations for on-or off-site improvements, as more particularly described in Exhibit H. Impact Fees and Exactions shall not include the Mitigation Measures, Processing Fees, taxes or special assessments or school district fees, SFPUC Capacity Charges and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by Developer as and when due in accordance with applicable Laws.

2.51 “**Implementing Approval**” shall mean any land use approval, entitlement, or permit (other than the Approvals, a Design Review Approval, or a Development Phase Approval) from the City that are consistent with the Approvals and that are necessary for the implementation of the Project, including without limitation, demolition permits, grading permits, site permits, building permits, lot line adjustments, sewer and water connection permits, encroachment permits, street

improvement permits, certificates of occupancy, and subdivision maps. An Implementing Approval shall also mean any amendment to the foregoing land use approvals, entitlements, or permits, or any amendment to the Approvals that are sought by Developer and approved by the City in accordance with the standards set forth in this Agreement, and that do not represent a Material Change to the Approvals.

2.52 “**Law(s)**” means the Constitution and laws of the United States, the Constitution and laws of the State of California, the laws of the City and County of San Francisco, and any codes, statutes, rules, regulations, or executive mandates thereunder, and any State or Federal court decision (including any order, injunction or writ) thereunder. The term “**Laws**” shall refer to any or all Laws as the context may require.

2.53 “**Law Adverse to the Developer**” has the meaning set forth in Section 7.5.4.

2.54 “**Law Adverse to the City**” has the meaning set forth in Section 7.5.4.

2.55 “**Litigation Extension**” has the meaning set forth in Section 12.5.1.

2.56 “**Losses**” has the meaning set forth in Section 6.13.1.

2.57 “**Market Rate Parcels**” means those parcels identified as such on the Site Plan attached to this Agreement as Exhibit B.

2.58 “**Master Infrastructure Plan**” means the Master Infrastructure Plan attached to this Agreement as Exhibit P.

2.59 “**Material Change**” means any modification that would materially alter the rights, benefits or obligations of the City or Developer under this Agreement that is not consistent with the Sunnydale SUD, the Design Standards and Guidelines, or the Master Infrastructure Plan or that (i) extends the Term, (ii) changes the permitted uses of the Project Site, (iii) decreases the Community Improvements, (iv) reduces or significantly changes the affordability levels of the

Affordable Housing units, as such levels are included in the Affordable Housing Plan; (v) increases the maximum height, density, bulk or size of the Project, (vi) changes parking ratios, or (vii) reduces or changes the Impact Fees and Exactions.

2.60 “**MDA**” or “**Master Development Agreement**” has the meaning set forth in Recital B, as such agreement may be amended from time to time.

2.61 “**Mitigation Measures**” means the mitigation measures (as defined by CEQA) applicable to the Project as set forth in the MMRP or that are necessary to mitigate adverse environmental impacts identified through the CEQA process as part of a Implementing Approval.

2.62 “**MMRP**” means that certain mitigation monitoring and reporting program attached hereto as Exhibit L.

2.63 “**MOHCD**” means the San Francisco Mayor’s Office of Housing and Community Development.

2.64 “**Mortgage**” means a mortgage, deed of trust or other lien on all or part of the Project Site to secure an obligation made by the applicable property owner.

2.65 “**Mortgagee**” means a person or entity that obtains title to all or part of the Project Site as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action.

2.66 “**Municipal Code**” means the San Francisco Municipal Code.

2.67 “**Non-City Responsible Agency**” has the meaning set forth in Exhibit K.

2.68 “**Non-City Approval**” has the meaning set forth in Section 8.3.

2.69 “**Notice of Infeasibility**” has the meaning set forth in Section 12.2.

2.70 “**OEWD**” means the San Francisco Office of Economic and Workforce Development.

2.71 “**Official Records**” means the official real estate records of the City and County of San Francisco, as maintained by the City’s Assessor-Recorder’s Office.

2.72 “**Operating Subsidy**” means project-based voucher rental assistance pursuant to Section 8(o)(13) of the United States Housing Act of 1937 or successor program; Section 8 project-based assistance pursuant to the Rental Assistance Demonstration Program; or such other permanent project-based subsidy provided by the HUD and distributed through SFHA that allows for the financially feasible construction and operation of Affordable Housing units.

2.73 “**Party**” and “**Parties**” has the meaning set forth in the opening paragraph of this Agreement.

2.74 “**Permanent Relocation**” means the relocation of an existing Sunnydale household to a new and permanent residence off-site and which waives the household’s right to return to a new Resident Replacement Unit. Permanent Relocation is triggered if the duration of the off-site residency exceeds 12 months, unless the household waives Permanent Relocation rights and opts to maintain Temporary Off-site Relocation status.

2.75 “**Phase**” has the meaning set forth in Recital E.

2.76 “**Phase Application**” has the meaning set forth in Recital E.

2.77 “**Planning Code**” means the San Francisco Planning Code.

2.78 “**Planning Commission**” means the Planning Commission of the City and County of San Francisco.

2.79 “**Planning Department**” means the Planning Department of the City and County of San Francisco.

2.80 “**Planning Director**” means the Director of Planning of the City and County of San Francisco.

2.81 **“Private Stormwater Management Controls”** shall mean Stormwater Management Improvements treating any stormwater from privately-owned and maintained parcels, whether on private or public property.

2.82 **“Privately-Owned Community Improvements”** shall mean those facilities and services that are privately-owned and privately-maintained for the public benefit, with varying levels of public accessibility, that are not dedicated to the City. The Privately-Owned Community Improvements are listed in Exhibit F. Exhibit G sets forth the provisions pertaining to the use, maintenance, and security of the Privately-Owned Community Improvements. All Privately-Owned Community Improvements are required as a condition of regulatory approval of the Project by the City.

2.83 **“Processing Fees”** means the standard fee imposed by the City upon the submission of an application for a permit or approval, which is not an Impact Fee or Exaction, in accordance with the City practice on a City-Wide basis.

2.84 **“Project”** means the mixed use development project as described in Recital B and Exhibit C and the Approvals, together with Developer’s rights and obligations under this Agreement.

2.85 **“Project Site”** has the meaning set forth in Recital A, and as more particularly described in Exhibit A.

2.86 **“Public Health and Safety Exception”** has the meaning set forth in Section 7.5.1.

2.87 **“Public Infrastructure Improvements”** or **“PII”** shall mean the facilities, both on- and off-site, to be improved, constructed and dedicated to the City. Public Infrastructure Improvements include streets within the Project, sidewalks (and associated street trees), furniture,



fixtures and equipment, Public Stormwater Management Improvements, all public utilities within the public right of way (such as electricity, water, street lights, pedestrian lights, joint trenches and sewer lines but excluding any non-municipal utilities), bicycle lanes and paths in the public right of way, off-site intersection improvements (including but not limited to curbs, medians, signaling, traffic controls devices, signage, and striping), SFMTA infrastructure, and possibly parks. All Public Infrastructure Improvements shall be built in accordance with the Implementing Approvals(i.e., improvement plans) approved by the City. Sufficient construction bonds or guarantees, based on the amount required to complete the Public Infrastructure Improvements as determined from the approved Street Improvement Plans must also be submitted as required by the City consistent with the Subdivision Map Act and the San Francisco Subdivision Code. All Public Infrastructure Improvements are required as a condition of regulatory approval of this Project by the City.

2.88 **“Public Power”** shall mean electricity service provided to the Project by the SFPUC, per the terms and responsibilities outlined in Exhibit W.

2.89 **“Public Stormwater Management Improvements”** shall mean Stormwater Management Improvements within public right of ways, solely treating runoff from the public right of way.

2.90 **“Relocation Plan”** means a relocation plan for existing Sunnydale households approved by SFHA in accordance with all applicable state and federal relocation laws.

2.91 **“Resident Replacement Unit”** means a newly constructed rental unit intended to replace an existing public housing unit for occupancy by an existing Sunnydale household, in accordance with the MDA and applicable ground lease, located either within an Affordable Housing development or off-site within the City, as a Permanent Relocation Unit

voluntarily selected by the existing household in accordance with the Relocation Plan. Resident Replacement Units must be assisted with Operating Subsidy.

2.92 “**Restored Obligations**” has the meaning set forth in Section 13.1.

2.93 “**SFMTA**” means the San Francisco Municipal Transportation Agency.

2.94 “**SFPUC**” means the San Francisco Public Utilities Commission.

2.95 “**SFPUC Capacity Charges**” means all water and sewer capacity and connection fees and charges payable to the SFPUC, as and when due in accordance with the applicable City requirements.

2.96 “**Stormwater Management Improvements**” shall mean the facilities, both those privately-owned and those dedicated to the City, that comprise the infrastructure and landscape system that is intended to manage the stormwater runoff.

2.97 “**Subdivision Code**” means the San Francisco Subdivision Code.

2.98 “**Subdivision Map Act**” means the California Subdivision Map Act, California Government Code § 66410 *et seq.*

2.99 “**Sunnydale Plan Documents**” mean the Design Standards and Guidelines, the Transportation Demand Management Plan, and the Master Infrastructure Plan, all dated as of \_\_\_\_\_, and approved by the Board of Supervisors, as each may be revised or updated in accordance with this Agreement. A copy of the Sunnydale Development Plan Documents, including any approved amendments, will be maintained and held by the Planning Department.

2.100 “**Sunnydale SUD**” means Planning Code Section \_\_\_\_\_ as adopted by the Board in Ordinance No. \_\_\_\_\_.

2.101 “**Temporary Off-site Relocation**” means the temporary moving of an existing Sunnydale household to an off-site resident for the purpose of constructing new Resident

Replacement Units. Temporary relocation is typically defined by a term of less than 12 months, but may extend beyond 12 months with the consent of the relocating household. Temporarily relocated households retain a right to return to the on-site Resident Replacement Units.

2.102 “**Term**” has the meaning set forth in Section 3.2.

2.103 “**Third-Party Challenge**” has the meaning set forth in Section 8.4.

2.104 “**Transfer,**” “**Transferee**” and “**Transferred Property**” have the meanings set forth in Sections 13.1, and in all events excludes (1) a transfer of membership interests in Developer or any Transferee, (2) grants of easement or of occupancy rights for existing or completed Buildings or other improvements (including, without limitation, space leases in Buildings), and (3) the placement of a Mortgage on the Project Site.

2.105 “**Transportation Demand Management Plan**” means the Transportation Demand Management Plan attached to this Agreement as Exhibit M.

2.106 “**Vested Elements**” has the meaning set forth in Section 7.1.

2.107 “**Workforce Agreement MOU**” means the Workforce Agreement MOU attached hereto as Exhibit I.

### **3. EFFECTIVE DATE; TERM**

3.1 Effective Date. This Agreement shall take effect upon the later of (i) the full execution and delivery of this Agreement by the Parties and (ii) the date the Enacting Ordinance is effective and operative (“**Effective Date**”).

3.2 Term. The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for twenty-five (25) years thereafter unless extended or earlier terminated as provided herein (“**Term**”); provided, however, that the Term shall be extended for each day of a Litigation Extension. The term of any conditional use permit, any tentative subdivision map and any subsequent subdivision map shall be for the longer of (i) the Term (as it

relates to the applicable parcel) or (ii) the term otherwise allowed under the Subdivision Map Act or the Planning Code. City (acting through MOHCD Director) may elect in its sole and absolute discretion to extend the Term due to, but not limited to, delays in availability of public financing for the Project.

#### 4. DEVELOPMENT OF PROJECT SITE

4.1 Development Rights. Developer and its Transferees shall have the vested right to develop the Project Site in accordance with and subject to the provisions of this Agreement, the Approvals, and any Implementing Approvals, and the City shall process all Implementing Approvals related to development of the Project Site in accordance with and subject to the provisions of this Agreement. Developer agrees that all improvements it constructs on the Project Site shall be done in accordance with this Agreement, the Approvals, and any Implementing Approvals, and in accordance with all applicable laws.

4.2 Project Phasing. The Developer shall develop the Project Site in Phases, consistent with the Phasing Plan attached as Exhibit J, including the procedural review and approval requirements described in Exhibit K.

4.3 Affordable Parcels. Subject to the Phasing Plan approved as described in Section 4.2 above, Developer shall develop the Affordable Parcels in accordance with the Approvals, any Implementing Approvals, and the Affordable Housing Plan attached to this Agreement as Exhibit D. Without limiting the foregoing, Developer shall be responsible for complete design, engineering, and construction (horizontal and vertical) of all improvements on the Affordable Parcels.

#### 4.4 Market Rate Parcels.

4.4.1 Subject to the Phasing Plan approved as described in Section 4.2 above, Developer shall prepare the Market Rate

Parcels (i.e., rough grading and supporting infrastructure) for development (i.e., development "pads") in accordance with the Approvals and any Implementing Approvals.

4.4.2 Pursuant to the terms of the MDA, Developer will prepare requests for proposals ("RFPs") and manage a selection process to identify third-party developers for purchase of the fee simple interest in the Market Rate Parcels and development of vertical improvements (i.e., buildings and appurtenant improvements) on the Market Rate Parcels in accordance with the development program required by the applicable RFP, the Approvals, and any Implementing Approvals.

4.5 Public Infrastructure Improvements. Subject to the Phasing Plan approved as described in Section 4.2 above, Developer shall develop the public infrastructure supporting the Project Site in accordance with the Approvals, any Implementing Approvals, and the Master Infrastructure Plan attached to this Agreement as Exhibit P. Without limiting the foregoing, Developer shall be responsible for coordinating the design, engineering, and construction of the Public Infrastructure Improvements. Except as modified by the Sunnydale SUD and Design Standards and Guidelines, all Public Infrastructure shall be designed and constructed in accordance with City-Wide standards. The Phasing Plan will provide for the Public Infrastructure Improvements to be phased proportionately with vertical development phases. Developer shall maintain and be liable for all such Public Infrastructure Improvements until formally accepted by City consistent with the terms provided in the Form of City Acceptance Ordinance for Dedicated Infrastructure Improvements attached as Exhibit V to this Agreement.

4.6 Community Improvements. Subject to the Phasing Plan approved as described in Section 4.2 above, Developer shall develop the Community Improvements in substantial accordance with the Approvals, any Implementing Approvals, and the List of Public Infrastructure Improvements and Community Improvements attached to this Agreement as Exhibit E.

4.7 Transportation Demand Management Plan. Developer shall implement the Transportation Demand Management measures in substantial accordance with the Transportation Demand Management Plan attached to this Agreement as Exhibit M.

4.8 Public Power. Electric service for the project will be supplied by the City through the SFPUC. Such service will be provided by the City according to the SFPUC's Rules and Regulations Governing Electric Service. The roles and responsibilities for power utilities are further discussed in Exhibit W.

4.9 No Additional CEQA Review Required; Reliance on FEIR/EIS for Future Discretionary Approvals. The Parties acknowledge that the FEIR/EIS prepared for the Project complies with CEQA. The Parties further acknowledge that: (a) the FEIR/EIS contains a thorough analysis of the Project and possible alternatives; (b) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Project; and (c) the Board of Supervisors adopted CEQA Findings, including a statement of overriding considerations in connection with the Approvals, pursuant to CEQA Guidelines Section 15093, for those significant impacts that could not be mitigated to a less than significant level. For these reasons, (a) the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Project vested under this Agreement, and (b) the City shall rely on the FEIR/EIS, to the greatest extent possible in accordance with applicable Laws, in all future

discretionary actions related to the Project; provided, however, that nothing shall prevent or limit the discretion of the City to conduct additional environmental review in connection with any Implementing Approvals to the extent that such additional environmental review is required by applicable Laws, including CEQA.

#### 4.9.1 Compliance with CEQA Mitigation Measures.

Developer shall comply with all Mitigation Measures imposed as applicable to each Project component, except for any Mitigation Measures that are expressly identified as the responsibility of a different party or entity. Without limiting the foregoing, Developer shall be responsible for the completion of all Mitigation Measures identified as the responsibility of the “owner” or the “project sponsor”. The Parties expressly acknowledge that the FEIR/EIS and the associated MMRP are intended to be used in connection with each of the Approvals and any Implementing Approvals to the extent appropriate and permitted under applicable Law. Nothing in this Agreement shall limit the ability of the City to impose conditions on any new, discretionary permit resulting from Material Changes as such conditions are determined by the City to be necessary to mitigate adverse environmental impacts identified through the CEQA process and associated with the Material Changes or otherwise to address significant environmental impacts as defined by CEQA created by an approval or permit; provided, however, any such conditions must be in accordance with applicable Law.

#### 4.10 Costa-Hawkins Rental Housing Act.

#### 4.10.1 Non-Applicability of Costa-Hawkins Act.

Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act, California Civil Code sections 1954.50 et seq. (the “**Costa-Hawkins Act**”) provides for no limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public agency in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (section 1954.52(b)). The Parties agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the BMR Units, if any, included as part of the development of the Market Rate Parcels. This Agreement falls within the express exception to the Costa-Hawkins Act, Section 1954.52(b) because this Agreement is a contract with a public entity in consideration for contributions and other forms of assistance specified in Chapter 4.3 (commencing with Section 65919 of Division 1 of Title 7 of the California Government Code). The City and Developer would not be willing to enter into this Agreement without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section 1954.52(a) do not apply to the BMR Units as a result of the



exemption set forth in California Civil Code section 1954.52(b) for the reasons set forth in this Section 4.10.1.

4.10.2 General Waiver. Developer, on behalf of itself and all of its successors and assigns of all or any portion of the Project Site or this Agreement, agrees not to challenge and expressly waives, now and forever, any and all rights to challenge the requirements of this Agreement related to the establishment of the BMR Units under the Costa-Hawkins Act (as the Costa-Hawkins Act may be amended or supplanted from time to time). If and to the extent such general covenants and waivers are not enforceable under Law, the Parties acknowledge and that they are important elements of the consideration for this Agreement and the Parties should not have the benefits of this Agreement without the burdens of this Agreement. Accordingly, if Developer challenges the application of this covenant and waiver, then such breach will be an Event of Default and City shall have the right to terminate this Agreement as to the portion of the Project under the ownership or control of Developer.

4.10.3 Inclusion in All Assignment and Assumption Agreements and Recorded Restrictions. Developer shall include the provisions of this Section 4.10 in any and all assignment and assumption agreements, and any and all recorded restrictions, for any portion of the Project Site that includes or will include BMR Units.

## 5. **COMMUNITY BENEFITS**

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 (the “**Community Benefits**”). The Community Benefits include, but are not limited to, the redevelopment and replacement of the affordable housing units currently occupying the Project Site, the redevelopment of the Public Infrastructure Improvements (e.g., streets, curbs, gutters, sewers, etc.) supporting the Project Site, and the development of the Community Improvements described in Exhibit E. The City acknowledges and agrees that a number of the Community Benefits would not be otherwise achievable without the express agreement of Developer under this Agreement.

## 6. OBLIGATIONS OF DEVELOPER

6.1 Development of the Project Site. Through this Agreement Developer has agreed to meet all of the obligations contained herein and specifically to carry out the obligations for the development of the Project Site contained in Article 4 above and as further described in the Exhibits.

6.2 Development by Transferees. Notwithstanding Section 6.1 above, the parties acknowledge and agree that Developer intends to assign its rights and obligations under this Agreement with respect to various portions of the Project to different entities “**Transferees**”, as described in Recital G and pursuant to the assignment and transfer provisions of Article 13. As such, the obligations of the Developer under this Article 6 shall apply to Developer or its applicable Transferee for each portion of the Project.

6.3 Completion of Project. Upon commencement of a Phase, Developer shall diligently prosecute to completion all construction on the applicable portion of the Project Site in accordance with the Approvals, any Implementing Approvals, and the approved Phase Application. The foregoing notwithstanding, unless this Agreement is terminated in accordance with Article 12, expiration of any building permit or other Approval or Implementing Approval shall not limit Developer’s vested rights as set forth in this Agreement, and Developer shall have the right to seek

and obtain subsequent building permits or approvals consistent with this Agreement at any time during the Term. Notwithstanding the foregoing, the Parties recognize that the Developer's ability to initiate and complete each Phase of construction is subject to the availability of City funding and the funding agreements between the Developer and the City, and to secure such funding the Developer must comply with all requirements necessary to apply for, secure and continue to receive such funding from the City consistent with the terms included in Exhibit O and any terms contained in any City loan documents.

6.4 Project Costs. Except as otherwise expressly set forth in this Agreement, Developer shall pay for all costs relating to the Project consistent with the terms of this Agreement.

6.5 Contracting for Community Improvements and Public Infrastructure Improvements. In connection with the construction of the Community Improvements and Public Infrastructure Improvements, Developer shall, as applicable to each Phase, engage one or more contractors that are duly licensed in California and qualified to complete the work (the "**Contractor**"). The Contractor shall contract directly with Developer pursuant to an agreement to be entered into by Developer and Contractor (the "**Construction Contract**"), which shall: (i) be a contract that meets all of the City's and MOHCD's requirements, including any procurement requirements; (ii) require the Contractor or Developer to obtain and maintain bonds for one-hundred percent (100%) of the cost of construction for performance and fifty percent (50%) of payment for labor and materials (and include the City and Developer as dual obligees under the bonds), or provide a letter of credit or other security satisfactory to the City, in accordance with the requirements of the Subdivision Code; (iii) require the Contractor to obtain and maintain customary insurance, including workers compensation in statutory amounts, Employer's liability, general liability, and builders all-risk; (iv) release the City from any and all claims relating to the

construction, including but not limited to mechanics liens and stop notices; (v) subject to the rights of any Mortgagee that forecloses on the property, include the City as a third party beneficiary, with all rights to rely on the work, receive the benefit of all warranties, and prospectively assume Developer's obligations and enforce the terms and conditions of the Construction Contract as if the City were an original party thereto; and (vi) relative to all work performed by the Project's architect and engineer, require that the City be included as a third party beneficiary, with all rights to rely on the work product, receive the benefit of all warranties and covenants, and prospectively assume the Developer's obligations and enforce the terms and conditions of the applicable contract as if the City were an original party thereto.

6.6 Workforce Agreement MOU. The Parties agree that the Workforce Agreement MOU shall apply to all work performed under this Agreement.

6.7 Cooperation by Developer.

6.7.1 Developer shall, in a timely manner, provide the City and each City Agency with all documents, applications, plans and other information reasonably necessary for the City to comply with its obligations under this Agreement.

6.7.2 Developer shall, in a timely manner, comply with all reasonable requests by the Planning Director and each City Agency for production of documents or other information evidencing compliance with this Agreement.

6.8 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate against any employee, City employee working with Developer's contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person

seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

6.9 Prevailing Wages. Developer agrees that all persons performing labor in the construction of Public Infrastructure Improvements as defined in the Administrative Code, or otherwise as required by California law, on the Project Site 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 Developer shall include this requirement in any contract entered into by Developer for the construction of any such Public Infrastructure Improvements. Upon request, Developer and its contractors will provide to City any workforce payroll records as needed to confirm compliance with this section.

6.10 City Cost Recovery.

6.10.1 Developer shall timely pay to the City all Impact Fees and Exactions applicable to the Project or the Project Site as set forth in Section 7.4.

6.10.2 Developer shall timely pay to the City all Processing Fees applicable to the processing or review of applications for the Approvals and Implementing Approvals as set forth in Section 7.4.

6.10.3 All City Costs incurred in connection with processing and issuing any Implementing Approvals or administering this Agreement (except for the costs that are covered by Processing Fees) shall be the responsibility of MOHCD to pay.

6.10.4 MOHCD shall make payments within sixty (60) days following receipt of a written invoice from OEWD per the process outlined below.

6.10.5 OEWD shall provide MOHCD on a quarterly basis (or such alternative period as agreed to by the City Agencies) a reasonably detailed statement showing costs incurred by OEWD, and the City Agencies, 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 description of the work completed. OEWD will use reasonable efforts to provide an accounting of time and costs from 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 MOHCD 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. The City Attorney's Office will not submit billing through OEWD, but will instead include billing for costs incurred in the quarterly billing sent to MOHCD directly under established procedures between MOHCD and the City Attorney's Office. MOHCD's obligation to pay the City Costs shall survive

the termination of this Agreement. MOHCD shall have no obligation to pay for any City Cost that is not invoiced to MOHCD within six (6) months from the date the City Cost was incurred. City Agencies will maintain records, in reasonable detail, and shall make such records available for inspection by MOHCD.

6.10.6 If MOHCD in good faith disputes any portion of an invoice, then within sixty (60) days following receipt of the invoice MOHCD shall provide notice of the amount disputed and the reason for the dispute, and the City Agencies shall use good faith efforts to reconcile the dispute as soon as practicable. MOHCD shall have no right to withhold the disputed amount.

6.10.7 Notwithstanding the foregoing, MOHCD may elect to negotiate and enter into memoranda of understanding with some or all of the affected City Agencies to specify billing rates, annual budgets, and/or unique repayment terms to be applied to this Project. MOHCD shall have the right to amend these agreements with the consent of the affected City Agency.

6.11 Nexus/Reasonable Relationship Waiver. Developer consents to, and waives any rights it may have now or in the future, to challenge with respect to the Project or the Approvals, the legal validity of, the conditions, requirements, policies, or programs required by this Agreement or the Existing Standards, including, without limitation, any claim that they constitute an abuse of police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax. In the event Developer challenges any Future Change to an Existing Standard, or any increased or new fee permitted under

Section 2.3, then the City shall have the right to withhold additional development approvals or permits until the matter is resolved; provided, however, Developer shall have the right to make payment or performance under protest, and thereby receive the additional approval or permit while the matter is in dispute.

6.12 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment, provided (i) the City shall not institute on its own initiative proceedings for any new or increased special tax or special assessment for a land-secured financing district (including the special taxes under the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 *et seq.*)) that includes the Project Site unless the new district is City-Wide, or encompasses an area greater than the Project Site such as a Supervisorial District or neighborhood defined by the Planning Department or MOHCD, or Developer gives its prior written consent to such proceedings, and (ii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted solely or substantially at the Project Site. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Site, or any space therein, that is enacted in accordance with law and applies to similarly-situated property on a City-Wide basis.

6.13 Indemnification

6.13.1 Indemnification of City. Developer shall Indemnify the City and its officers, agents and employees from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims ("Losses") to the extent arising from Developer's breach of or negligent performance (or nonperformance) of this Agreement, 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 active negligence or willful misconduct of City. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs, and the City's cost of investigating any claims against the City. All Indemnifications set forth in this Agreement shall survive the expiration or termination of this Agreement.

## 7. VESTING AND CITY OBLIGATIONS

7.1 Vested Rights. By the Approvals the City has made a policy decision that the Project, as described in and as may be modified in accordance with the Approvals, is in the best interests of the City and promotes the public health, safety and welfare. Developer shall have the vested right to develop the Project as set forth in the Approvals and this Agreement, including without limitation with the following vested elements: the locations and numbers of Buildings proposed, the land uses, height and bulk limits, including the maximum density, intensity and gross square footages, the permitted uses, the provisions for Community Improvements and Public Infrastructure Improvements (collectively, the "**Vested Elements**"; provided the Existing Uses on the Project Site shall also be included as Vested Elements). The Vested Elements are subject to and shall be governed by Applicable Laws. The expiration of any building permit or Approval shall not limit the Vested Elements, and Developer shall have the right to seek and obtain subsequent building permits or approvals, including Implementing Approvals at any time during the Term, any of which shall be governed by Applicable Laws. Each Implementing Approval, once granted, shall be deemed an Approval for purposes of this Article 7.

7.2 Existing Standards. The City shall process, consider, and review all Implementing Approvals in accordance with (i) the Approvals, (ii) the San Francisco General Plan, the Municipal Code (including the Subdivision Code) and all other applicable City policies, rules

and regulations as each of the foregoing is in effect on the Effective Date (“**Existing Standards**”), as the same may be amended or updated in accordance with permitted Future Changes to Existing Standards as set forth in Section 7.3, and (iii) this Agreement (collectively, “**Applicable Laws**”).

7.3 Future Changes to Existing Standards. All future changes to Existing Standards and any other Laws, plans or policies adopted by the City or adopted by voter initiative after the Effective Date (“**Future Changes to Existing Standards**”) shall apply to the Project and the Project Site except to the extent they conflict with this Agreement, including the Exhibits attached hereto, or the terms and conditions of the Approvals, including but not limited to the Sunnysdale SUD, the Design Standards and Guidelines, the Master Infrastructure Plan, and the Transportation Demand Management Plan. In the event of such a conflict, the terms of this Agreement and the Approvals shall prevail, subject to the terms of Section 7.6.

7.3.1 Future Changes to Existing Standards shall be deemed to conflict with this Agreement and the Approvals if they:

(a) limit or reduce the density or intensity of the Project, or any part thereof, or otherwise require any reduction in the square footage or number of proposed Buildings or change the location of proposed Buildings or change or reduce other improvements, such as sidewalk and setback widths, and street widths from that permitted under this Agreement for the Project, the Existing Standards, or the Approvals;

(b) limit or reduce the height or bulk of the Project, or any part thereof, or otherwise require any reduction in the height or bulk of individual proposed Buildings or other improvements that are part of

the Project from that permitted under this Agreement, the Existing Standards, or the Approvals;

(c) limit, reduce or change the location of vehicular access or parking, or any limit, reduction or change in the location, quantity or quality of non-motorized and transit facilities (e.g., sidewalk widths, vehicle turning radii, etc.) from that permitted under this Agreement, the Existing Standards, or the Approvals;

(d) limit any land uses for the Project from that permitted under this Agreement, the Existing Standards, the Approvals or the Existing Uses;

(e) change or limit the Approvals or Existing Uses;

(f) materially limit or control the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of the Project in any manner, including the demolition of existing Buildings at the Project Site, except for limitations imposed by the availability of financing or the requirements of the relocation of existing residents as addressed in the MDA;

(g) require the issuance of permits or approvals by the City other than those required under the Existing Standards;

(h) limit or control the availability of public utilities, services or facilities or any privileges or rights to public utilities, services, or facilities for the Project as contemplated by the Approvals;

(i) materially and adversely limit the processing or procuring of applications and approvals of Implementing Approvals that are consistent with Approvals; or,

(j) impose or increase any Impact Fees and Exactions beyond those set forth in Exhibit H, as they apply to the Project (other than the built in escalators based on CPI which may be included in any Impact Fees and Exactions applied to the Project).

7.3.2 Developer may elect to have a Future Change to Existing Standards that conflicts with this Agreement and the Approvals applied to the Project or the Project Site by giving the City notice of its election to have a Future Change to Existing Standards applied, in which case such Future Change to Existing Standards shall be deemed to be an Existing Standard; provided, however, if the application of such Future Change to Existing Standards would be a Material Change to the City's obligations hereunder, the application of such Future Change to Existing Standards shall require the concurrence of any affected City Agencies. Nothing in this Agreement shall preclude the City from applying Future Changes to Existing Standards to the Project Site for any development not within the scope of the "Project" described under this Agreement. In addition, nothing in this Agreement shall preclude Developer from pursuing any challenge to the application of any Future Changes to Existing Standards to all or part of the Project Site.

7.3.3 The Sunnydale Plan Documents may be amended with Developer's consent from time to time without the amendment of this Agreement as follows: (a) changes other than Material Changes may be agreed to in writing by the Planning Director and the MOHCD Director and any affected City Agency (as appropriate), each in their reasonable discretion, and (b) Material Changes may be agreed to in writing by the Planning Commission, the City Administrator, the MOHCD Director and the affected City Agency (either by its Director or, if existing, its applicable Commission), each in their sole discretion, provided that any Material Change to the Sunnydale Plan Documents that requires a change to the Sunnydale SUD or this Agreement shall also be subject to the approval of the Board of Supervisors in accordance with Section 12.1. Without limiting the foregoing, the Parties agree that any change to the Transportation Demand Management Plan must be approved by SFMTA, any change to the Affordable Housing Plan must be approved by MOHCD, and any change to the Master Infrastructure Plan must be approved by DPW, the SFMTA and the SFPUC.

7.3.4 The Parties acknowledge that, for certain parts of the Project, Developer must submit a variety of applications for Implementing Approvals before Commencement of Construction. Developer shall be responsible for obtaining all Implementing Approvals before the start of any construction to the extent required under Applicable Law. Notwithstanding anything in this Agreement to the contrary, when considering any such application for a Implementing 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 or utility standards applicable on a City-Wide basis. In implementing this Section 7.3.4, upon application for an Implementing Approval, the City Agencies shall apply their then-existing technical design standards and specifications with respect to Public Infrastructure Improvements (the "PII") so that the PII integrates and functions with existing City systems, with Project phases already completed, and with applicable law; provided, however, that the City cannot impose standards or requirement on Developer that the City would not apply to itself if the PII was to be constructed by the City on its own. The Parties understand and agree that any PII identified in this Agreement or the Sunnydale Plan Documents may become part of a larger City system and that the proposed PII must be constructed so as to integrate and function with the existing City system and with Project phases already completed in every material respect.

7.3.5 Developer shall have the right, from time to time and at any time, to file subdivision map applications (including phased final map applications and development-specific condominium map or plan applications) with respect to some or all of the Project Site, to subdivide, reconfigure or merge the parcels comprising the Project Site as may be

necessary or desirable in order to develop a particular part of the Project. The specific boundaries of parcels shall be set by Developer and approved by the City during the subdivision process. Nothing in this Agreement shall authorize Developer to subdivide or use any of the Project Site for purposes of sale, lease or financing in any manner that conflicts with the Subdivision Map Act 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.

7.3.6 Without limiting the generality of this Section 7.3, the Project shall not be subject to any pending or future requirements relating to greywater or recycled water.

7.4 Fees and Exactions.

7.4.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 7.4, 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 7.4, and as outlined in Exhibit H, are intended to implement the intent of the Parties that Developer 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.

7.4.2 Impact Fees and Exactions. Developer shall pay Impact Fees in accordance with the schedule of Impact Fees and Exactions attached to this Agreement as Exhibit H.

7.4.3 Processing Fees. The Project shall be subject to all City Processing Fees as set forth in Exhibit H to this Agreement.

7.4.4 Limitation on City's Future Discretion. The City in granting the Approvals and vesting the Developer's rights to develop the Project through this Agreement is limiting its future discretion with respect to the Project and Implementing Approvals to the extent that they are consistent with the Approvals and this Agreement, including those elements as approved in the Design Standards and Guidelines (e.g., street width, curblines, landscaping and street grades, etc.). For elements included in a request for an Implementing Approval that have not been previously reviewed or considered by the applicable City Agency (including but not limited to additional details or plans for a proposed building), the City Agency shall exercise its discretion consistent with the provisions of the Approvals and this Agreement, and otherwise in accordance with customary practice. In no event shall a City Agency deny issuance of an Implementing Approval based upon items that are consistent with the Approvals and this Agreement. Consequently, the City shall not use its discretionary authority to change the



policy decisions reflected by the Approvals and this Agreement or otherwise to prevent or to delay development of the Project as contemplated in the Approvals and this Agreement. Nothing in the foregoing shall impact or limit the City's discretion with respect to: (a) proposed Implementing Approvals that seek a Material Change to the Approvals, or (b) Board of Supervisor decisions on subdivision map appeals, as required by Law, not contemplated by the Approvals.

7.5 Changes in Federal or State Laws.

7.5.1 City's Exceptions. Notwithstanding any provision in this Agreement to the contrary, each City Agency having jurisdiction over the Project shall exercise its discretion under this Agreement in a manner that is consistent with the public health and safety and shall at all times retain its respective authority to take any action that is necessary to protect the physical health and safety of the public (the "**Public Health and Safety Exception**") or reasonably calculated and narrowly drawn to comply with applicable changes in Federal or State Law affecting the physical environment (the "**Federal or State Law Exception**"), including the authority to condition or deny an Implementing Approval or to adopt a new Law applicable to the Project so long as such condition or denial or new regulation (i) is limited solely to addressing a specific and identifiable issue in each case required to protect the physical health and safety of the public or (ii) is required to comply with a Federal or State Law and in each case not for independent discretionary policy reasons that are inconsistent with the

Approvals or this Agreement and (iii) is applicable on a City-Wide basis to the same or similarly situated uses and applied in an equitable and non-discriminatory manner. Developer retains the right to dispute any City reliance on the Public Health and Safety Exception or the Federal or State Law Exception.

7.5.2 Changes in Federal or State Laws. If Federal or State Laws issued, enacted, promulgated, adopted, passed, approved, made, implemented, amended, or interpreted after the Effective Date have gone into effect and (i) preclude or prevent compliance with one or more provisions of the Approvals or this Agreement, or (ii) materially and adversely affect Developer's or the City's rights, benefits or obligations, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 7.6, as applicable.

7.5.3 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 Developer 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.

7.5.4 Termination of Agreement. If any of the modifications, amendments or additions described in Section 7.3.3 or this Section 7.5 or any changes in Federal or State Laws described above would materially and adversely affect the construction, development, use, operation or occupancy of the Project as currently contemplated by the Approvals, or any material portion thereof, such that the Project becomes economically infeasible (a “**Law Adverse to Developer**”), then Developer 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 7.3.3 or this Section 7.5 or any changes would materially and adversely affect or limit the Community Benefits (a “**Law Adverse to the City**”), then the City shall notify Developer 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 7.5.4, 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) Developer shall have the right to terminate this Agreement following a Law Adverse to Developer 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 Developer; provided, notwithstanding any such termination, Developer shall be required to complete any Phase for which financing has been closed, and such completion shall include any Community Benefits and Public Infrastructure Improvements in connection with a particular new Building, or Phase, as set forth in the approved Phase Application for the applicable Phase.

7.6 No Action to Impede Approvals. Except and only as required under Section 7.6, 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 7.3.1.

7.7 Priority Processing for Implementing Approvals. City acknowledges and agrees that the Project is a critical City initiative. Accordingly, all City Agencies tasked with managing or reviewing various elements of the Implementing Approvals or other measures to implement the Project shall treat the Project as a priority, and shall make best efforts to dedicate sufficient attention and resources to the Project to facilitate the expeditious development thereof, as contemplated by this Agreement.

7.8 Criteria for Approving Implementing Approvals. The City shall not disapprove applications for Implementing Approval based upon any item or element that is

consistent with this Agreement and the Approvals, and shall consider all such applications in accordance with its customary practices (subject to the requirements of this Agreement); provided, however, that the City may subject an Implementing Approval to any condition that is necessary to bring the Implementing Approval into compliance with Applicable Laws. The City shall in no event be obligated to approve an application for an Implementing Approval that would effect a Material Change. If the City denies any application for an Implementing Approval that implements a Project as contemplated by the Approvals in order to bring such Implementing Approval into compliance with Applicable Laws, the City must specify in writing the reasons for such denial and shall suggest modifications required for approval of the application. Any such specified modifications shall be consistent with Applicable Laws and City staff shall approve the application if it is subsequently resubmitted for City review and corrects or mitigates, to the City's reasonable satisfaction, the stated reasons for the earlier denial in a manner that is consistent and compliant with Applicable Laws and does not include new or additional information or materials that give the City a reason to object to the application under the standards set forth in this Agreement. The City agrees to rely on the FEIR/EIS, to the greatest extent possible, as more particularly described in Section 4.9. With respect to any Implementing Approval, the City agrees to rely on the General Plan Consistency Findings to the greatest extent possible in accordance with applicable Laws; provided, however, that nothing shall prevent or limit the discretion of the City to require new or revised General Plan consistency findings in connection with any Material Change to the Approvals.

If any City Agency with jurisdiction objects to an Implementing Approval for any Building or any Community Improvement (including if the Community Improvement is part of a larger permit application) based upon the proposed width of a sidewalk, street or alley, then Developer may make a written demand for representatives from Developer, MTA, DPW,

Planning, and the objecting City Agency to meet and confer in good faith within five (5) business days of the objection being raised (whether raised formally or informally) to attempt to find a mutually satisfactory resolution to the objection that meets the goals of City policy, including the City's Better Streets Plan, its Transit First Policy, and the Project requirements and goals, including the Design Standards and Guidelines document, or any applicable streetscape plan, the Approvals or this Agreement. By entering into this Agreement, the City's Board of Supervisors has reviewed and approved the sidewalk, street and alley widths, as set forth in Exhibit P and the Design Standards and Guidelines, as consistent with the City's central policy objective to ensure street safety for all users while maintaining adequate clearances, including for fire apparatus vehicles.

7.9 Estoppel Certificates. Developer may, at any time, and from time to time, deliver notice to the Planning Director requesting that the Planning Director certify to Developer, a potential Transferee, or a potential lender to Developer, in writing that to the best of the Planning Director's knowledge: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended or modified, and if so amended or modified, identifying the amendments or modifications and stating their date and providing a copy or referring to the recording information; (iii) Developer is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Defaults; and (iv) the findings of the City with respect to the most recent annual review performed pursuant to Article 9. The Planning Director, acting on behalf of the City, shall execute and return such certificate within forty-five (45) days following receipt of the request.

7.10 Existing, Continuing Uses and Interim Uses. The Parties acknowledge that the Existing Uses are lawfully authorized uses and may continue, as such uses may be modified by

the Project, provided that any modification thereof that is not a component of or contemplated by the Project is subject to any conditions or requirements placed on the Project through the MDA, ground lease or any loan or grant agreements between the Developer and the City. Developer and SFHA may install interim or temporary uses on the Project Site, which uses must not preclude those uses allowed under the Approvals. Without limiting the foregoing, such interim or temporary uses may include, but shall not be limited to, roads, pedestrian paths, site amenities, and other improvements intended to facilitate the phased development of the Project. Additionally, any actions taken on the Project Site that are not explicitly contemplated as part of this Agreement will be reviewed pursuant to the rules of the Sunnydale SUD and the Planning Code as applicable.

## 8. MUTUAL OBLIGATIONS

8.1 Revocation or Termination. Upon any early revocation or termination of this Agreement (as to all or any part of the Project Site), the Parties agree to execute a written statement acknowledging such revocation or termination, signed by the appropriate agents of the City and Developer, and record such instrument in the Official Records.

8.2 Agreement to Cooperate; Specific Actions by the City.

8.2.1 Agreement to Cooperate. The Parties agree to cooperate with one another to expeditiously implement the Project in accordance with the Approvals, any Implementing Approvals and this Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of this Agreement, the Approvals and any Implementing Approvals are implemented. The Parties agree that the Planning Department (or such other department to whom the obligation is delegated by the Director of the Planning Department after notice to Developer) will act as the City's lead agency to facilitate

coordinated City review of applications for the Project. As such, Planning Department (or such other department) staff will: (a) work with Developer to ensure that all such applications to the City are technically sufficient and constitute complete applications, and (b) interface with City staff responsible for reviewing any application under this Agreement to facilitate an orderly, efficient approval process that avoids delay and redundancies.

8.2.2 Specific Actions by the City. The City actions and proceedings subject to this Agreement shall be through the Planning Department, as well as affected City Agencies (and when required by applicable Law, the Board of Supervisors), and shall include instituting and completing proceedings for temporary or permanent closing or occupancy, widening, narrowing, modifying (including changes from vehicular to pedestrian use) or changing the grades of streets, alleys, sidewalks, and other right-of-ways, and other necessary modifications of the streets, the street layout, and other public or private right-of-ways in or near the Project Site, including streetscape improvements, encroachment permits, improvement permits, and any requirement to abandon, remove, and relocate public utilities (and, when applicable, City utilities) within the public right-of-ways as identified in the Approvals and Implementing Approvals. City Agencies shall process with due diligence all submissions and applications by Developer on all permits, approvals, construction or occupancy permits for the Project subject to the acceptance of the same as complete.



8.3 Non-City Approvals Cooperation to Obtain Permits. The Parties acknowledge that certain portions of the Project may require the approval of Federal, State, and local governmental agencies that are independent of the City and not a Party to this Agreement (“**Non-City Agencies**”). The City will reasonably cooperate with reasonable requests by Developer in connection with Developer’s efforts to obtain permits, agreements, or entitlements from Non-City Agencies as may be necessary or desirable for the development, operation and use of the Project (each, a “**Non-City Approval**”). The City’s commitment to Developer under this Agreement is subject to the following conditions:

(a) Throughout the permit process for any Non-City Approval, Developer shall consult and coordinate with each affected City Agency in Developer’s efforts to obtain the permits, agreements, or entitlements, and each such City Agency shall cooperate reasonably with Developer in Developer’s efforts to obtain the same.

(b) Developer shall not agree to conditions or restrictions in any Non-City Approval that could create: (1) any obligations on the part of any City Agency, unless the City Agency agrees in writing, following the receipt of any necessary governmental approvals, to assume such obligations; or (2) any restrictions on City property, unless in each instance the City, including each affected City Agency, has previously approved in its sole discretion the conditions or restrictions in writing following the receipt of any necessary governmental approvals.

(c) The City shall have no duty to cooperate with public utilities and communication service providers to the extent that the cooperation efforts requested by Developer are materially in excess of the City’s typical efforts in connection with other major development and construction projects in the City.

(d) Costs. Developer shall bear all costs associated with applying for and obtaining any necessary Non-City Approval. Developer, at no cost to the City, shall be solely responsible for complying with any Non-City Approval and any and all conditions or restrictions imposed as part of a Non-City Approval. Developer shall pay or otherwise discharge any fines, penalties, or corrective actions imposed as a result of Developer's failure to comply with any Non-City Approval.

8.4 Cooperation in the Event of Third-Party Challenge. In the event any administrative, legal or equitable action or proceeding is instituted by any party other than the City, SFHA, or Developer challenging the validity or performance of any provision of this Agreement, the Project, the Approvals or Implementing Approvals, the adoption or certification of the FEIR/EIS or other actions taken pursuant to CEQA, or other approvals under Laws relating to the Project, any action taken by the City, SFHA, or Developer in furtherance of this Agreement, or any combination thereof relating to the Project or any portion thereof ("**Third-Party Challenge**"), the Parties shall cooperate in defending against such challenge. The City or SFHA, as applicable, shall promptly notify Developer of any Third-Party Challenge instituted against the City.

8.4.1 Developer shall assist and cooperate with the City and SFHA at Developer's own expense in connection with any Third-Party Challenge. The City Attorney's Office and SFHA may use its own legal staff or outside counsel in connection with defense of the Third-Party Challenge, at the City Attorney's and SFHA's sole discretion. Developer shall reimburse the City and SFHA for their actual costs in defense of the action or proceeding, including but not limited to the time and expenses of the City Attorney's Office (at the non-discounted rates then charged by the City

Attorney's Office) and any consultants; provided, however, Developer shall have the right to quarterly invoices for all such costs. Notwithstanding the foregoing, Developer's obligation to reimburse the City and SFHA shall be limited to insurable claims covered by the Project's insurance coverage and the applicable limits of such coverage.

8.4.2 To the extent that any such action or proceeding challenges or a judgment is entered limiting Developer's right to proceed with the Project or any material portion thereof under this Agreement (whether the Project commenced or not), including the City's actions taken pursuant to CEQA, Developer may elect to terminate this Agreement. Upon any such termination (or, upon the entry of a judgment terminating this Agreement, if earlier), the City, SFHA and Developer shall jointly seek to have the Third-Party Challenge dismissed and Developer shall have no obligation to reimburse City and SFHA defense costs that are incurred after the dismissal.

8.4.3 The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project or the issuance of Implementing Approvals unless the third party obtains a court order preventing the activity.

8.5 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, street improvement permits or excavation permits, as applicable, for City-owned property on the City's standard forms, 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 Developer to enter City-owned property as necessary to construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

8.6 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 Implementing 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, including such actions as may be necessary to satisfy or effectuate any applicable conditions precedent to the performance of the Community Benefits.

8.7 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 Implementing Approvals, in accordance with the terms of this Agreement (and subject to all applicable Laws) in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

8.8 Public Funding. Exhibit O to this Agreement outlines the obligations of the Developer and the City as related to public funding. The Parties acknowledge and agree that the Developer's ability to carry out the Project depends on adequate, timely funding from the City, and that any and all City funding commitments are subject to the City's and MOHCD's annual or bi-annual budget approval process. Accordingly, the Developer will use good faith best efforts to carry out the Developer's obligations related to the application for, and receipt of, public funding as contained in Exhibit O. The City, including, but not limited to, MOHCD, subject to the budgetary

discretion of the City's Board of Supervisors, will use good faith best efforts to provide funding for the Project consistent with the processes contained in Exhibit O.

## 9. PERIODIC REVIEW OF DEVELOPER'S COMPLIANCE

9.1 Annual Review. Pursuant to Section 65865.1 of the Development Agreement Statute and Section 56.17 of the Administrative Code (as of the Effective Date), at the beginning of the second week of each January following final adoption of this Agreement and for so long as this Agreement is in effect (the "Annual Review Date"), the Planning Director shall commence a review to ascertain whether Developer has, in good faith, complied with this Agreement. The Planning Director may, at the Director's discretion, provide notice to the Developer prior to the Annual Review Date that the review will commence at a specified date later in the calendar year. The failure to commence such review in January shall not waive the Planning Director's right to do so later in the calendar year; provided, however, that such review shall be deferred to the following January if not commenced on or before August 1st. The Planning Director may elect to forego an annual review if no significant construction work occurred on the Project Site during that year, or if such review is otherwise not deemed necessary.

9.2 Review Procedure. In conducting the required initial and annual reviews of Developer's compliance with this Agreement, the Planning Director shall follow the process set forth in this Section 9.2.

9.2.1 Required Information from Developer. Upon request by the Planning Director, but not more than sixty (60) days after the later of the Annual Review Date or the date of the request from the Planning Director, Developer shall provide a letter to the Planning Director certifying Developer's good faith compliance with this Agreement. The letter shall provide evidence to show compliance with the requirements of this

Agreement including, but not limited to, the following: the Community Benefits and Public Infrastructure Improvements constructed by Developer as required by the Phasing Plan, development of the Affordable and Market Rate Parcels as required by the Phasing Plan, implementation of Transportation Demand Management measures, CEQA mitigation measures required by the FEIR, and the Developer's obligations with regard to workforce and hiring goals. The Planning Director shall post a copy of Developer's submittals on the Planning Department's website.

9.2.2 City Report. Within sixty (60) days after Developer submits such letter, the Planning Director shall review the information submitted by Developer and all other available evidence regarding Developer's compliance with this Agreement, and shall consult with applicable City Agencies as appropriate. All such available evidence including final staff reports shall, upon receipt by the City, be made available as soon as possible to Developer. The Planning Director shall notify Developer in writing whether Developer has complied with the terms of this Agreement (the "City Report"), and post the City Report on the Planning Department's website. If the Planning Director finds Developer not in compliance with this Agreement, then the City may pursue available rights and remedies in accordance with this Agreement and Chapter 56. The City's failure to initiate or to timely complete the annual review shall not be a default and shall not be deemed to be a waiver of the right to do so at a later date. All costs incurred by the City under this Article 9 shall be included in the City

Costs. City Reports due under this Agreement do not remove the requirement to provide periodic reports under any loan or grant agreement between Developer and City or upon request by any other City Agency.

9.2.3 Effect on Transferees. If Developer has effected a Transfer so that its interest in the Project Site has been divided between Developer and/or Transferees, then the annual review hereunder shall be conducted separately with respect to Developer and each Transferee. If the Board of Supervisors terminates, modifies or takes such other actions as may be specified in Administrative Code Chapter 56 and this Agreement in connection with a determination that Developer or a Transferee has not complied with the terms and conditions of this Agreement, such action by the Planning Director, Planning Commission, or Board of Supervisors shall be effective only as to the Party to whom the determination is made and the portions of the Project Site in which such Party has an interest.

9.2.4 Default. The rights and powers of the City under this Section 9.2 are in addition to, and shall not limit, the rights of the City to terminate or take other action under this Agreement on account of the commission by Developer, or a Transferee, of an Event of Default.

## **10. ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES**

10.1 Enforcement. The only Parties to this Agreement are the City, SFHA, and Developer (and any successors and Transferees). This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

10.2 Meet and Confer Process. Before sending a notice of default in accordance with Section 10.3, the Party which may assert that the other Party has failed to perform or fulfill its

obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement, or (ii) if a delay in sending a notice pursuant to Section 10.3 would impair, prejudice or otherwise adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request that such meeting and conference occur within three (3) business days following the request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section 10.2 and may proceed in accordance with the issuance of a notice of default under Section 10.3.

10.3 Default. The following shall constitute a "Default" under this Agreement: the failure to perform or fulfill any material term, provision, obligation, or covenant of this Agreement and the continuation of such failure for a period of sixty (60) days following notice and demand for compliance; provided, however, that Developer shall not be in Default if the failure to perform or fulfill any material term, provision, obligation, or covenant of this Agreement is caused in whole or in part by the unavailability of Project funding from the City, if such unavailability of Project funding is not based on Developer's non-compliance or non-performance with the provisions of Exhibit O or under any loan agreement or grant agreement between MOHCD and the Developer or any Affiliate. Notwithstanding the foregoing, if a failure can be cured but the cure cannot reasonably be completed within sixty (60) days, then it shall not be considered a Default if a cure is commenced within said 60-day period and diligently prosecuted to completion thereafter. Any notice of default given by a Party shall specify the nature of the alleged failure and, where



appropriate, the manner in which said failure satisfactorily may be cured (if at all). Notwithstanding any other provision in this Agreement to the contrary, if Developer conveys or Transfers some but not all of the Project such that there is more than one Party responsible for performing any of the Developer's obligations under this Agreement, there shall be no cross-default between the separate Parties that assumed such Developer's obligations or between the separate Parties and Developer. Upon execution of the Assignment and Assumption Agreement described in Section 13.3 herein, the Transferee and the portion of the Project Site for which Transferee has a beneficial interest shall be treated separately from all other portions of the Project Site for the purposes of this Agreement, and neither Transferee nor any other Transferee or Developer shall therefore have any liability for any other Transferee's or Developer's non-compliance with this Agreement. Accordingly, if a Transferee or Developer Defaults, it shall not be a Default by any other Transferee or Party that has a beneficial interest (e.g. ground lease, license) over a different portion of the Project Site. Notwithstanding the foregoing, any Developer Default under this Agreement, but not including a default by a Transferee, shall be a default under any loan or grant agreement between MOHCD and the Developer, or the MDA; and provided further that any Developer Default under any loan or grant agreement between MOHCD and the Developer (as defined in such agreements) or under the MDA (as defined in the MDA) shall be considered a Default under this Agreement. For the purposes of the preceding sentence only, the term "Developer" shall refer only to the entity entering into this Agreement and not to any Transferee.

#### 10.4 Remedies.

10.4.1 Specific Performance. Subject to, and as limited by, the provisions of Section 10.4.3, in the event of a Default the

remedies available to a Party shall include specific performance of this Agreement in addition to any other remedy available at law or in equity.

10.4.2 Termination. In the event of an uncured Default by Developer, the City may, consistent with the provisions of Chapter 56, elect to terminate this Agreement by sending a notice of termination to the Developer, which notice of termination shall state the Default. This Agreement will be considered terminated effective upon the date set forth in the notice of termination, which shall in no event be earlier than sixty (60) days following delivery of the notice. Notwithstanding the foregoing, in the event of an uncured Default by Developer, the City, in its sole discretion, may, consistent with the provisions of Chapter 56, elect to remove the Developer and transfer all rights and obligations of Developer under this Agreement to a new entity to develop the Project Site as a party to this Agreement. Accordingly, Developer, by execution of this Agreement does hereby consent to such a transfer of its rights and obligations under this Agreement in the event of Default, at the City's election and consistent with the provisions of Chapter 56.

10.4.3 Limited Damages. The Parties have determined that except as set forth in this Section 10.4.3, (a) monetary damages are generally inappropriate, (b) it would be extremely difficult and impractical to fix or determine the actual damages suffered by a Party as a result of a Default hereunder, and (c) equitable remedies and remedies at law not including damages but including specific performance and termination are particularly

appropriate remedies for enforcement of this Agreement. Consequently, Developer agrees that the City shall not be liable to Developer for damages under this Agreement, and the City agrees that Developer shall not be liable to the City for damages under this Agreement, and each covenants not to sue the other for or claim any damages under this Agreement and expressly waives its right to recover damages under this Agreement, except as follows: (a) either Party shall have the right to recover actual damages only (and not consequential, punitive or special damages, each of which is hereby expressly waived) for a Party's failure to pay sums to the other Party as and when due under this Agreement, (b) the City shall have the right to recover actual damages for Developer's failure to make any payment due under any indemnity in this Agreement, (c) for any Community Improvement for which specific performance is determined by a court of competent jurisdiction not to be an available remedy, except if and to the extent directly or indirectly resulting from action or inaction by or on behalf of City or any City Agencies, the City shall have the right to monetary damages according to proof against Developer equal to the costs that would have been incurred by Developer to complete the Community Improvement, (d) either Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6, and (e) the City shall have the right to administrative penalties if and only to the extent expressly stated in Applicable Laws. 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.

10.4.4 City Processing/Certificates of Occupancy. The City shall have the right to withhold a final certificate of occupancy for a Building until all of the Community Benefits and Public Infrastructure Improvements tied to that Building have been completed, except in the case of Affordable Housing units funded in whole or in part with Low Income Housing Tax Credits. For a Building to be deemed completed Developer shall have completed all of the streetscape and open space improvements described in the approved Phase Application for that Building; provided, if the City issues a final certificate of occupancy before such items are completed, consistent with the terms for such issuance as outlined in the approved Phase Application, then Developer shall promptly complete such items following issuance.

10.5 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. 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.

10.6 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.

## **11. FINANCING; RIGHTS OF MORTGAGEES.**

11.1 Developer's Right to Mortgage. Nothing in this Agreement limits the right of Developer to mortgage or otherwise encumber all or any portion of the Project Site in which it holds an interest in real property for the benefit of any Mortgagee as security for one or more loans

("Encumbrance Rights"). Except for that certain City mortgage recorded on Block 6356 Lots 61-68, Developer and SFHA, as to their respective interests in the Project Site, represent that there are no Mortgages on the Project Site as of the Effective Date. Notwithstanding the foregoing, Developer's exercise of its Encumbrance Rights must be consistent with the terms of the ground lease between the Developer and SFHA and any loan or grant agreements between the Developer and the City.

11.2 Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of this Agreement, including, but not limited to, those which are or are intended to be covenants running with the land, a Mortgagee, including any Mortgagee who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings, or conveyance or other action in lieu thereof, or other remedial action, shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or any part thereof or to guarantee such construction or completion. The foregoing provisions shall not be applicable to any party who, after a foreclosure, conveyance or other action in lieu thereof, or other remedial action, obtains title to some or all of the Project Site (including to a leasehold interest under a long term ground lease) from or through the Mortgagee, or any other purchaser at a foreclosure sale other than the Mortgagee itself, on which certain Community Improvements must be completed as set forth in Section 4.6. Nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any Mortgagee or any other person or entity to devote the Project Site or any part thereof to any uses other than uses consistent with this Agreement and the Approvals, and nothing in this Section shall be deemed to give any Mortgagee or any other person or entity the right to construct any improvements under this Agreement (other than as needed to conserve or protect improvements or construction already made) unless or until such person or entity assumes Developer's obligations under this Agreement.

11.3 Copy of Notice of Default and Notice of Failure to Cure to Mortgagee.

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Mortgagee having a Mortgage on the real property which is the subject of the breach or default who has previously made a written request to the City therefor, at the last address of such Mortgagee specified by such Mortgagee in such notice. In addition, if such breach or default remains uncured for the period permitted with respect thereto under this Agreement, the City shall deliver a notice of such failure to cure such breach or default to each such Mortgagee at such applicable address. A delay or failure by the City to provide such notice required by this Section shall extend for the number of days until notice is given, the time allowed to the Mortgagee for cure. In accordance with Section 2924 of the California Civil Code, the City requests that a copy of any notice of default and a copy of any notice of sale under any Mortgage be mailed to the City at the address for notices under this Agreement.

11.4 Mortgagee's Option to Cure Defaults. After receiving any notice of failure to cure referred to in Section 11.3, each Mortgagee shall have the right, at its option, to commence within the same period as the Developer to remedy or cause to be remedied any event of default, plus an additional period of: (a) thirty (30) days to cure a monetary event of default; and (b) sixty (60) days to cure a non-monetary event of default which is susceptible of cure by the Mortgagee without obtaining title to the applicable property. If an event of default is not cured within the applicable cure period, the City nonetheless shall refrain from exercising any of its remedies with respect to the event of default if, within the Mortgagee's applicable cure period: (i) the Mortgagee notifies the City that it intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property; and (ii) the Mortgagee commences foreclosure proceedings

within sixty (60) days after giving such notice, and thereafter diligently pursues such foreclosure to completion; and (iii) after obtaining title, the Mortgagee diligently proceeds to cure those events of default: (A) which are required to be cured by the Mortgagee and are susceptible of cure by the Mortgagee, and (B) of which the Mortgagee has been given notice by the City. Any such Mortgagee or Transferee of a Mortgagee who shall properly complete the improvements relating to the Project Site or applicable part thereof shall be entitled, upon written request made to the Agency, to a Certificate of Completion.

11.5 Mortgagee's Obligations with Respect to the Property. Notwithstanding anything to the contrary in this Agreement, no Mortgagee shall have any obligations or other liabilities under this Agreement unless and until it acquires title by any method to all or some portion of the Project Site (referred to hereafter as "**Foreclosed Property**"). A Mortgagee that acquires title by foreclosure to any Foreclosed Property shall take title subject to all of the terms and conditions of this Agreement, to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations which are due as a condition to enjoying the benefits of this Agreement. Upon the occurrence and continuation of an uncured default by a Mortgagee or Transferee in the performance of any of the obligations to be performed by such Mortgagee or Transferee pursuant to this Agreement, the City shall be afforded all its remedies for such uncured default as provided in this Agreement.

11.6 No Impairment of Mortgage. No default by the Developer under this Agreement shall invalidate or defeat the lien of any Mortgagee. Neither a breach of any obligation secured by any Mortgage or other lien against the mortgaged interest nor a foreclosure under any Mortgage or other lien, shall defeat, diminish, render invalid or unenforceable or otherwise impair the Developer's rights or obligations or constitute a default under this Agreement.



11.7 Cured Defaults. Upon the curing of any event of default by Mortgagee within the time provided in this Article 11 the City's right to pursue any remedies with respect to the cured event of default shall terminate.

## 12. AMENDMENT; TERMINATION; EXTENSION OF TERM

12.1 Amendment or Termination. This Agreement may only be amended with the mutual written consent of the City and Developer, provided following a Transfer, the City and Developer or any Transferee may amend this Agreement as it affects Developer or the Transferee and the applicable portion of the Project Site 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 4.10.2, 7.5.4, 8.4.2 and 10.4.2 and 12.2 this Agreement may only be terminated with the mutual written consent of the Parties. Any amendment to this Agreement that does not constitute a Material Change may be agreed to by the Planning Director (and, to the extent it affects any rights or obligations of a City department, with the approval of that City Department). Any amendment that is a Material Change will require the approval of the Planning Director, the Planning Commission and the Board of Supervisors (and, to the extent it affects any rights or obligations of a City department, after consultation with that City department).

12.2 Termination by Developer for Infeasibility. The parties acknowledge that the long-term, phased nature of the Project presents inherent uncertainties regarding the conditions under which the Project will be developed, including but not limited to uncertainty regarding the availability of public funding for the Project. If the Developer makes a reasonable, good faith determination that the Project or a Phase is infeasible, despite good faith efforts by the Developer (or its Transferees, as applicable), it may deliver a "Notice of Infeasibility" to the Planning Department and MOHCD. The Notice of Infeasibility shall state with reasonable specificity the basis for determining such infeasibility and, if applicable, ways in which feasibility may be restored. Without

limiting the generality of the foregoing, if (i) there has been a determination of Infeasibility under the MDA, including infeasibility related to the relocation obligations of the parties under the MDA or (ii) Project funding is delayed for a period of more than twelve (12) months from the date of a funding request to the City from Developer, and such delay is not due to Developer's incomplete submittals or other inadequate responses related to such funding requests, such findings or delays shall be grounds for a Notice of Infeasibility. Upon delivery of a Notice of Infeasibility, the City and the Developer, shall promptly meet to discuss the circumstances and the manner in which feasibility may be restored. If within ninety (90) days of the Notice of Infeasibility the Parties have restored feasibility in the reasonable determination of the Developer, then the Developer shall issue a written acknowledgement of such. If feasibility has not been restored, as reasonably determined by the Developer, and after the Developer has provided documents demonstrating such continuing infeasibility, the Developer may terminate this Agreement with respect to the Project or the subject Phase without fault. Notwithstanding the foregoing, if the City does not agree with the Developer's determination of continuing infeasibility, the City and the Developer 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 City and the Developer remain unable to resolve the issue following such mediation, then Developer shall have the right to terminate this Agreement upon not less than thirty (30) days prior notice to the City; provided, notwithstanding any such termination, Developer shall be required to complete any Phase for which financing has been closed, and such completion shall include any Community Benefits and Public Infrastructure Improvements in connection with a particular new Building, or Phase, as set forth in the approved Phase Application for the applicable Phase. Following such a termination, any costs incurred by a Party in connection with this Agreement shall be completely borne by such Party, except for development costs to be funded by City or other

development sources, and neither Party shall have any rights against or liability to the other, except for those provisions of this Agreement that recite that they survive termination of this Agreement.

12.3 Termination and Vesting. Any termination under this Agreement shall concurrently effect a termination of the Approvals with respect to the terminated portion of the Project Site, except as to any Approval pertaining to a Phase that has Commenced Construction in reliance thereon. In the event of any termination of this Agreement by Developer resulting from a Default by the City and except to the extent prevented by such City Default, Developer's obligation to complete the applicable Community Improvements shall continue as to the Phase which has Commenced Construction and all relevant and applicable provisions of this Agreement shall be deemed to be in effect as such provisions are reasonably necessary in the construction, interpretation or enforcement to this Agreement as to any such surviving obligations. The City's and Developer's rights and obligations under this Section 12.3 shall survive the termination of this Agreement.

12.4 Amendment Exemptions. No issuance of an Implementing Approval, or amendment of an Approval or Implementing Approval, shall by itself require an amendment to this Agreement. And no change to the Project that is permitted under the Sunnydale Plan Documents 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 Implementing Approval). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement and an Implementing Approval, or between this Agreement and any amendment to an Approval or Implementing 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 Implementing Approval or the proposed amendment to

an Approval or Implementing 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, the Sunnydale SUD and applicable Planning Code provisions, and the Sunnydale Plan Documents, 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 Implementing Approval or any amendment to an Approval or Implementing Approval that conflicts with this Agreement.

12.5 Extension Due to Legal Action or Referendum; Excusable Delay.

12.5.1 Litigation and Referendum Extension. . If any litigation is filed challenging this Agreement or an Approval having the direct or indirect effect of delaying this Agreement or any Approval (including but not limited to any CEQA determinations), including any challenge to the validity of this Agreement or any of its provisions, or if this Agreement or an Approval is suspended pending the outcome of an electoral vote on a referendum, then the Term of this Agreement and all Approvals shall be extended for the number of days equal to the period starting from the commencement of the litigation or the suspension (or as to Approvals, the date of the initial grant of such Approval) to the end of such litigation or suspension (a “**Litigation Extension**”). . The Parties shall document the start and end of a Litigation Extension in writing within thirty (30) days from the applicable dates.

12.5.2 Excusable Delay. means the occurrence of an event beyond a Party's reasonable control which causes such Party's performance of an obligation to be delayed, interrupted or prevented, including, but not limited to: changes in Federal or State Laws; strikes or the substantial interruption of work because of labor disputes; inability to obtain materials; freight embargoes; civil commotion, war or acts of terrorism; inclement weather, fire, floods, earthquakes or other acts of God; epidemics or quarantine restrictions; litigation; unforeseen site conditions (including archaeological resources or the presence of hazardous materials); or the failure of any governmental agency, public utility or communication service provider to issue a permit, authorization, consent or approval required to permit construction within the standard or customary time period for such issuing authority following Developer's submittal of a complete application for such permit, authorization, consent or approval, together with any required materials. Excusable Delay shall not include delays resulting from the failure to obtain financing or have adequate funds, changes in market conditions, or the rejection of permit, authorization or approval requests based upon Developer's failure to satisfy the substantive requirements for the permit, authorization or approval request. In the event of Excusable Delay, the Parties agree that (i) the time periods for performance of the delayed Party's obligations impacted by the Excusable Delay shall be strictly limited to the period of such delay, interruption or prevention and the delayed Party shall, to the extent commercially reasonable, act diligently and in good faith to remove

the cause of the Excusable Delay or otherwise complete the delayed obligation, and (ii) following the Excusable Delay, a Party shall have all rights and remedies available under this Agreement, if the obligation is not completed within the time period as extended by the Excusable Delay. If an event which may lead to an Excusable Delay occurs, the delayed Party shall notify the other Party in writing of such occurrence as soon as possible after becoming aware that such event may result in an Excusable Delay, and the manner in which such occurrence is likely to substantially interfere with the ability of the delayed Party to perform under this Agreement.

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

13.1 Permitted Transfer of this Agreement. At any time, subject to the limitations set forth in this Article 13, Developer shall have the right to convey, assign or transfer all or any part of its right, title and interest (including, as applicable, its leasehold interest or interest in any license agreement with the City) in and to all or part of this Agreement (a “**Transfer**”) consistent with the transfer provisions of any applicable loan agreements between Developer and MOHCD or the transfer provisions of the MDA or any applicable ground lease between SFHA and the Developer, provided that it also transfers to such party (the “**Transferee**”) all of its interest, rights or obligations to the applicable, corresponding portions of the Project Site (the “**Transferred Property**”) as listed below, and further provided that all Transfers shall require that all obligations assumed by the Transferee may, at the election of the City and subject to rights of Mortgagees, revert back to Developer (the “**Restored Obligations**”) if the Transferee is in default under any agreements with MOHCD and SFHA as related to the Transferred Property and such default has not been timely cured. The Developer, at no time, shall have any obligation to cure such Transferee defaults and may subsequently transfer the Transferred Property to another entity subject to the provisions of this

Article 13. Notwithstanding the foregoing, the Restored Obligations requirements will not apply to Market Rate Parcels.

13.1.1 Public Infrastructure Improvements. Developer may, subject to the requirements of this Article 13 and any applicable funding agreements between Developer and MOHCD or the transfer provisions of the MDA, or any applicable ground lease between SFHA and the Developer, Transfer its rights and obligations under this Agreement with respect to the construction of the Public Infrastructure Improvements to an Affiliate, subject to the approval of DPW if such transfer occurs after the issuance of any required City permits related to the construction of the Public Infrastructure Improvements, and provided it also transfers its rights and obligations under any applicable lease or license agreement to such Transferee.

13.1.2 Affordable Parcels. Developer may, subject to the requirements of this Article 13 and any applicable loan agreements between Developer and MOHCD or the transfer provisions of the MDA, or any applicable ground lease between SFHA and the Developer, Transfer its rights and obligations under this Agreement with respect to the development of vertical improvements on any of the Affordable Parcels, to an Affiliate, provided it also transfers its rights and obligations under the applicable ground lease and loan agreement for each such Affordable Parcel to such Transferee.

13.1.3 Community Improvements. Developer may, subject to the requirements of this Article 13 and any applicable funding agreements between Developer and MOHCD or the transfer provisions of the

MDA, or any applicable ground lease between SFHA and the Developer, Transfer its rights and obligations under this Agreement with respect to the development of the Community Improvements. In addition, Developer may transfer, subject to SFHA and MOHCD consent, any ongoing, post-construction obligations related to the Community Improvements and the Public Infrastructure Improvements (such as open space operation and maintenance, obligations under the Transportation Demand Management requirements set forth in Exhibit M, or public right of way and utility maintenance requirements prior to the effective date of acceptance thereof by the City) to a residential, commercial or Project Site-wide management association (“CMA”) provided such CMA reflects commercially reasonable requirements and standards generally applicable to similar developments and has the financial capacity and ability to perform the obligations so transferred. No such Transfer of ongoing Community Improvement obligations shall require a transfer of Developer’s (or its Transferee’s, as applicable) leasehold interest over the applicable portion of the Project Site.

13.1.4 Market-Rate Parcels. SFHA shall transfer their rights and obligations under this Agreement with respect to the development of the vertical improvements on the Market Rate Parcels to any party selected by SFHA and MOHCD pursuant to the terms and provisions of the MDA. Such Transfer shall occur concurrently with execution of any sale or ground lease of the Market Rate Parcels by SFHA and must be consistent with the provisions in Exhibit S attached to this Agreement.



13.1.5 Entire Agreement. Developer may, with the consent of City, transfer all of its rights and obligations under this Agreement to a qualified entity, as determined by City, acting through MOHCD, in its sole and absolute discretion, provided that Developer transfers all of its rights and obligations to any portion of the Project Site to such Transferee.

13.2 Transferee Obligations. The Parties understand and agree that rights and obligations under this Agreement run with the land, and each Transferee must satisfy the obligations of this Agreement with respect to the land owned, ground leased, or licensed by and to it; provided, however, notwithstanding the foregoing, if an owner, ground lessee, or licensee of a portion of the Project Site (other than a mortgagee, including any mortgagee who obtains title to the Project Site or any portion thereof as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action) does not enter into an Assignment and Assumption Agreement approved by the Planning Director, after approval by the MOHCD Director, which approvals by the Planning Department and MOHCD shall not be unreasonably withheld, then it shall have no rights, interests or obligations under this Agreement and the City shall have such remedies as may be available for violation of this Article 13.

13.3 Notice and Approval of Transfers. With regard to any proposed Transfer under this Article 13, Developer shall provide not less than ninety (90) days written notice to City before any proposed Transfer of its interests, rights and obligations under this Agreement, or any other longer time period required under any applicable loan agreements between Developer and MOHCD or the transfer provisions of the MDA, or any applicable ground lease between SFHA and the Developer. Such request shall be reviewed by the Director of Planning and MOHCD pursuant to the terms of this Agreement, Developer shall provide, with such notice, a copy of an assignment and

assumption agreement, in substantially the form attached hereto as Exhibit S, that Developer proposes to enter into, with a detailed description of what obligations are to be assigned to the Transferee and what obligations will be retained by Developer, and a description of the real property proposed for conveyance to the Transferee (an “**Assignment and Assumption Agreement**”). Each Assignment and Assumption Agreement shall be in recordable form, in substantially the form attached hereto as Exhibit S, and include: (i) an agreement and covenant by the Transferee not to challenge the enforceability of any of the provisions or requirements of this Agreement, including but not limited to the Costa-Hawkins Act provisions and waivers as applicable; (ii) a description of the obligations under this Agreement (including but not limited to obligations to construct Community Improvements or Public Infrastructure Improvements and Mitigation Measures) that will be assumed by the assignee and from which assignor will be released; (iii) confirmation of all of the Indemnifications and releases set forth in this Agreement; (iv) a covenant not to sue the City, and an Indemnification to the City, for any and all disputes between the assignee and assignor; (v) a covenant not to sue the City, and an Indemnification to the City, for any failure to complete all or any part of the Project by any party, and for any harm resulting from the City’s refusal to issue further permits or approvals to a defaulting party under the terms of this Agreement; (vi) a transfer of any existing bonds or security required under this Agreement, or the Transferee will provide new bonds or security to replace the bonds or security that had been provided by Developer or a predecessor Transferee, (vii) a provision recognizing the Restored Obligations requirement of Section 13.1 of this Agreement (for all parcels other than Market-Rate Parcels); and (viii) such other matters as are deemed appropriate by the assignee and assignor and are approved by the City. Each Assignment and Assumption Agreement shall become effective when it is duly executed by the

Parties, the Planning Director, after consultation with the MOHCD Director, has executed the consent, and it is recorded in the Official Records.

13.4 City Review of Proposed Transfer. The City shall use good faith efforts to promptly review and respond to all approval requests under this Article 13. The City shall explain its reasons for any denial, and the parties agree to meet and confer in good faith to resolve any differences or correct any problems in the proposed documentation or transaction. If the City grants its consent, the consent shall include a fully executed, properly acknowledged release of assignor for the prospective obligations that have been assigned, subject to the Reverting Obligations condition, in recordable form, and shall be recorded together with the approved Assignment and Assumption Agreement. Notwithstanding anything to the contrary set forth in this Agreement, the City shall not be required to consider any request for consent to any Transfer while Developer is in uncured breach of any of its obligations under this Agreement. Any sale or conveyance of all or part of Developer's interest in an Affordable Parcel during the Term without an Assignment and Assumption Agreement as required by this Article 13 assigning the applicable portions of this Agreement, if any, shall be an Event of Default. Any Transfer in violation of this Article 13 shall be an Event of Default. If Developer fails to cure such Event of Default by voiding or reversing the unpermitted Transfer within ninety (90) days following the City's delivery of the Notice of Default, the City shall have the rights afforded to it under Article 12.

13.5 Permitted Contracts. Developer has the right to enter into contracts with third parties, subject to any procurement requirements, including but not limited to construction and service contracts, to perform work required by Developer under this Agreement and consistent with the provisions of Section 6.6 of this Agreement. No such contract shall be deemed a Transfer under

this Agreement and Developer shall remain responsible to City for the Completion of the work in accordance with this Agreement, subject to Excusable Delay.

13.6 Release of Liability. Upon recordation of an approved Assignment and Assumption Agreement, Developer shall be released from any prospective liability or obligation under this Agreement related to the Transferred Property as specified in the Assignment and Assumption Agreement, subject to the Reverting Obligations condition, and the Transferee shall be deemed to be “**Developer**” under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a default by Developer or any other Transferee with respect to any other portion of the Project Site and shall not entitle the City to terminate or modify this Agreement with respect to such other portion of the Project Site, except as otherwise provided herein. Similarly, if Developer Defaults under this Agreement, such Default shall not constitute a default by any Transferee with respect to the portion of the Project Site for which Transferee owns a beneficial interest, and shall not entitle the City to terminate or modify this Agreement with respect to Transferee’s rights, except as otherwise provided herein. Additionally, the annual review provided by Article 9 shall be conducted separately as to Developer and each Transferee and only as to those obligations that Developer or such Transferee has under this Agreement.

13.7 Responsibility for Performance. The City is entitled to enforce each and every such obligation assumed by each Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert as a defense against the City’s enforcement of performance of such

obligation that such obligation (i) is attributable to Developer's breach of any duty or obligation to the Transferee arising out of the Transfer or the Assignment and Assumption Agreement or any other agreement or transaction between Developer and the Transferee, or (ii) relates to the period before the Transfer. The foregoing notwithstanding, the Parties acknowledge and agree that a failure to complete a Mitigation Measure may, if not completed, delay or prevent a different party's ability to start or complete a specific Building or improvement under this Agreement if and to the extent the completion of the Mitigation Measure is a condition to the other party's right to proceed as specifically described in the Mitigation Measure, and Developer and all Transferees assume this risk. Accordingly, in some circumstances the City may withhold Implementing Approvals based upon the acts or omissions of a different party; provided, however, that City will not withhold or delay approval of Implementing Approvals if the party that has failed to perform is a third party developer of a Market Rate Parcel.

13.8 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Site. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site and undertakes any development activities at the Project Site, 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 Site.

13.9 Rights of Developer. The provisions in this Section 13 shall not be deemed to prohibit or otherwise restrict Developer from (a) granting easements or licenses to facilitate

development of the Project Site, (b) encumbering the Project Site or any portion of the improvements thereon by any Mortgage, (iii) granting an occupancy leasehold interest in portions of the Project Site, (c) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (d) 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; provided, however, such rights of any developer of any portion of the Project Site shall also be subject to the requirements of any loan agreements between such developer and MOHCD, the provisions of the MDA, or any applicable ground lease between such developer and SFHA.

#### **14. DEVELOPER REPRESENTATIONS AND WARRANTIES**

14.1 Interest of Developer; Due Organization and Standing. Developer represents that it owns a beneficial interest in the Project Site (as prospective ground lessee of the Affordable Parcels and prospective licensee of the Market-Rate Parcels and Public Infrastructure Improvements parcels, pursuant to the terms of the MDA). SFHA is the legal owner of the Project Site. The parties acknowledge and agree that SFHA will retain ownership of the Market Rate Parcels until it conveys fee title thereto to developers selected pursuant to the RFP process described in Section 4.4, and in accordance with the terms and conditions of the MDA. SFHA hereby expressly consents to this Agreement and to the application of the terms and conditions contained herein to the Project Site, including but not limited to the Market Rate Parcels. SFHA is a public body, corporate and politic, duly organized and validly existing and in good standing under the Laws of the State of California. Developer is a limited liability company duly organized and validly existing and in good standing under the Laws of the State of California. Developer has all requisite power to own its property and authority to conduct its business as presently conducted. SFHA and Developer represent and warrant that there is no existing lien or encumbrance recorded against the Project Site 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.

14.2 No Inability to Perform; Valid Execution. Developer represents and warrants that it is not a party to any other agreement that would conflict with Developer's obligations under this Agreement and it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

14.3 Conflict of Interest. Through its execution of this Agreement, Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the California Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the Term.

14.4 Notification of Limitations on Contributions. Through execution of this Agreement, Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a

prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

14.5 Other Documents. To the current, actual knowledge of Developer, after reasonable inquiry, no document furnished by Developer to the City with its application for this Agreement nor this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein, or herein, not misleading under the circumstances under which any such statement shall have been made.

14.6 No Bankruptcy. Developer represents and warrants to the City that Developer has neither filed nor is the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or Laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Developer's knowledge, no such filing is threatened.

14.7 Priority of Development Agreement. SFHA as legal owner represents that, as of the Effective Date, the Project Site is subject to certain declarations of trust (collectively, the "Declarations of Trust") in favor of the U.S. Department of Housing and Urban Development ("HUD"), and that pursuant to such Declarations of Trust, HUD has imposed certain limitations on the Project Site, and HUD retains certain rights and remedies in the event of violation of the Declarations of Trust. SFHA represents that, other than the Declarations of Trust, there is no other prior lien or encumbrance (other than liens for taxes or assessments, that are not yet due) against the Project Site that permit the holder or beneficiary of such lien or encumbrance the right to foreclose



against the Property, or any similar right (a "Security Financing Interest"). As of the Effective Date, SFHA has commenced the process to request HUD to release the Declarations of Trust in accordance with HUD's standard process and applicable regulations; provided, however, unless and until HUD releases the Declarations of Trust as encumbrances from the Project Site pursuant to HUD's applicable regulations, the Project Site remains subject to the Declarations of Trust. For so long as the Declarations of Trust encumber the Project Site (or any portion thereof) the Parties agree and acknowledge that: (i) this Agreement is subject, and subordinate, to, in all respects, the Declarations of Trust, and (ii) no portion of the Project Site subject to the Declarations of Trust may be used for a purpose in violation of the Declarations of Trust. To the extent applicable, upon the written request of HUD, the Parties shall execute a subordination agreement evidencing that this Agreement is subject and subordinate to the Declarations of Trust. On or before the Effective Date of this Agreement, SFHA shall provide a title report in form and substance satisfactory to the Planning Director and the City Attorney confirming the absence of any such Security Financing Interest, other than the Declarations of Trust.

## 15. MISCELLANEOUS PROVISIONS

15.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, and the agreements between the Parties specifically referenced in this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter contained herein.

15.2 Incorporation of Exhibits. Except for the Approvals which are listed solely for the convenience of the Parties, each Exhibit to this Agreement is incorporated herein and made a part hereof as if set forth in full. Each reference to an Exhibit in this Agreement shall mean that Exhibit as it may be updated or amended from time to time in accordance with the terms of this Agreement.

15.3 Binding Covenants; Run With the Land. Pursuant to Section 65868 of the Development Agreement Statute, from and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and, subject to Section 10.3 and Section 13, their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Project Site, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Subject to the provisions on Defaults and Transfers set forth in Section 10.3 and Section 13, all provisions of this Agreement shall be enforceable during the Term as equitable servitudes and constitute covenants and benefits running with the land pursuant to applicable Law, including but not limited to California Civil Code Section 1468.

15.4 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the Laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and the City and County of San Francisco shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

15.5 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both the City, SFHA and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in

accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Approvals shall be deemed to refer to this Agreement or the Approvals as amended from time to time pursuant to the provisions of this Agreement, whether or not the particular reference refers to such possible amendment. In the event of a conflict between the provisions of this Agreement and Chapter 56, the provisions of this Agreement will govern and control.

15.6 Project Is a Private Undertaking; No Joint Venture or Partnership. The development proposed to be undertaken by Developer on the Project Site is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of the improvements on the Project Site, except for existing public right of ways and City-owned utilities, and City funding as described in Exhibit O, attached hereto. Unless and until portions of the Project Site are dedicated to the City, Developer shall exercise full dominion and control over the Project Site, subject only to the limitations and obligations of Developer contained in this Agreement.

15.6.1. Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City, SFHA, and Developer, or any of them. No Party is acting as the agent of the other Party in any respect hereunder. Developer is not a state or governmental actor with respect to any activity conducted by Developer hereunder.

15.7 Recordation. Pursuant to the Development Agreement Statute and Chapter 56, the Clerk of the Board of Supervisors shall have a copy of this Agreement recorded in the

Official Records within ten (10) days after the Effective Date of this Agreement or any amendment thereto, with costs to be borne by Developer.

15.8 Obligations Not Dischargeable in Bankruptcy. Developer's obligations under this Agreement are not dischargeable in bankruptcy.

15.9 Survival. Following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect except for any provision which, by its express terms, survive the expiration or termination of this Agreement.

15.10 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

15.11 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim  
Director of Planning  
San Francisco Planning Department  
1650 Mission Street, Suite 400  
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.  
City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Real Estate/Finance

To Developer:

Sunnydale Development Co., LLC  
c/o Mercy Housing CA  
1360 Mission Street, Suite 300  
San Francisco, CA 94103  
Attn: Doug Shoemaker

with a copy to:

Sunnydale Development Co., LLC  
c/o Related Companies of CA  
44 Montgomery Street, Suite 1300  
San Francisco, CA 94104  
Attn: Robin Zimble

with a copy to:

Farella Braun + Martell LLP  
235 Montgomery Street, 17<sup>th</sup> Floor  
San Francisco, CA 94104  
Attn: Charles J. Higley

To SFHA:

Housing Authority of the City and County of San Francisco  
1815 Egbert Avenue  
San Francisco, California 94124  
Attn: Acting Executive Director

with a copy to:

Goldfarb & Lipman LLP  
1300 Clay Street, 11<sup>th</sup> Floor  
Oakland, California 94612  
Attn: Dianne Jackson McLean

15.12 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.

15.13 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.

15.14 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. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

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

product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

15.16 Sunshine. Developer understands and agrees that under the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act (California Government Code Section 250 *et seq.*), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. To the extent that Developer in good faith believes that any financial materials reasonably requested by the City constitutes a trade secret or confidential proprietary information protected from disclosure under the Sunshine Ordinance and other Laws, Developer shall mark any such materials as such. When a City official or employee receives a request for information that has been so marked or designated, the City may request further evidence or explanation from Developer. If the City determines that the information does not constitute a trade secret or proprietary information protected from disclosure, the City shall notify Developer of that conclusion and that the information will be released by a specified date in order to provide Developer an opportunity to obtain a court order prohibiting disclosure.

15.17 Non-Liability of City Officials and Others. Notwithstanding anything to the contrary in this Agreement, no individual board member, director, commissioner, officer, employee, official or agent of City shall be personally liable to Developer, its successors and assigns, in the event of any default by City, or for any amount which may become due to Developer, its successors and assigns, under this Agreement.

15.18 Non-Liability of Developer Officers and Others. Notwithstanding anything to the contrary in this Agreement, no individual board member, director, officer, employee, official, partner, employee or agent of Developer or any Affiliate of Developer shall be personally liable to

City, its successors and assigns, in the event of any default by Developer, or for any amount which may become due to City, its successors and assign, under this Agreement.

15.19 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

15.20 SFHA Provisions.

15.20.1 SFHA as Signatory. Developer and the City agree and acknowledge that SFHA is executing this Agreement in its capacity as the fee owner of the Project Site in order to permit the expeditious development of the Project in accordance with this Agreement. Developer and the City further agree and acknowledge that SFHA shall have no obligation to complete or otherwise perform any obligation of Developer under this Agreement, including, but not limited to Developer's obligations under Article 6. As between SFHA and Developer, Developer shall be solely obligated for the performance of all obligations of Developer and for the payment of all costs and expenses of Developer under this Agreement. Developer and the City further acknowledge that this Agreement by SFHA, and constitutes a portion of the consideration to be received by SFHA pursuant to this Agreement.

15.20.2 Indemnity of SFHA. In consideration for the execution of this Agreement by SFHA, Developer shall defend, indemnify, and hold harmless SFHA and its board of commissioners (the "**SFHA Board**"), officers, agents and employees from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims



("SFHA Loss") caused by this Agreement, the City's performance (or nonperformance) of this Agreement, or Developer's performance (or nonperformance) of this Agreement, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except to the extent such SFHA Loss is the result of the active negligence or willful misconduct of SFHA. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs, and SFHA's cost of investigating any claims against SFHA. All indemnifications of SFHA set forth in this Section, or any other provision of this Agreement shall survive the expiration or termination of this Agreement, and shall remain in full force and effect regardless of any indemnification obligation imposed on Developer (or any Transferee) under the MDA, a ground lease, or any other agreement between SFHA and the Developer (or any Transferee).

15.20.3 No Limitation on Discretion of SFHA.

Nothing in this Agreement shall be deemed to obligate SFHA to enter into the MDA, any ground lease, or any other document for the development of the Project, other than documents required to be executed under this Agreement (each, a "SFHA Subsequent Document", collectively, the "SFHA Subsequent Documents"). By execution of this Agreement, the Authority is not committing itself to, or agreeing to undertake, the disposition of any portion of the Project Site. Execution of this Agreement by the Authority is merely an agreement to encumber the Project Site with this Agreement,

reserving for subsequent SFHA Board action the final discretion and approval regarding the execution of any SFHA Subsequent Documents and all proceedings and decisions in connection therewith. Any SFHA Subsequent Document contemplated by this Agreement shall become effective only if and after such document(s) has been considered and approved by the SFHA Board following the conduct of all legally required procedures, and, thereafter has been executed by a duly authorized representative of SFHA. Until and unless a SFHA Subsequent Document is signed by the Developer, approved by the SFHA Board, executed by SFHA, and approved by HUD (to the extent applicable), no agreement drafts, actions, deliverables, or communications arising from the execution or performance of this Agreement shall impose any legally binding obligation on SFHA to enter into, or support entering into, a SFHA Subsequent Document, or be used as evidence of any oral or implied agreement by SFHA to enter into a SFHA Subsequent Document, or any other legally binding document..

15.20.4 No Limitation of Rights of SFHA. In the event a SFHA Subsequent Document is executed by SFHA, then nothing in this Agreement, shall be deemed to waive, limit, of otherwise impair the rights and remedies of SFHA pursuant to such SFHA Subsequent Document.

15.20.5 Conflict with Agreement. In the event of any conflict between the provisions of this Section 15.20 and any other provision of this Agreement, the terms of this Section 15.20 shall control and prevail.

*[signatures follow on next page]*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CITY:

Approved as to form:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

By: \_\_\_\_\_  
Heidi J. Gewertz, Deputy City Attorney

By: \_\_\_\_\_  
Olson Lee, Director, Mayor's Office and  
Housing and Community Development

Approved on \_\_\_\_\_  
Board of Supervisors Ordinance No. \_\_\_\_\_

Approved and Agreed:

SFHA:

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic

Approved as to Form and Legality:

By: \_\_\_\_\_  
Barbara T. Smith, Acting Executive  
Director

By: \_\_\_\_\_  
Dianne Jackson McLean, Goldfarb &  
Lipman LLP, Special Counsel to SFHA

*[Signatures continue on following page]*

DEVELOPER:

SUNNYDALE DEVELOPMENT CO.,  
a California limited liability company

By: MERCY HOUSING CALIFORNIA,  
a California nonprofit public benefit  
corporation, its sole member

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

Name: \_\_\_\_\_

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

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )

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Signature \_\_\_\_\_

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County of San Francisco )

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WITNESS my hand and official seal.

Signature \_\_\_\_\_

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State of California )  
County of San Francisco )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

**EXHIBIT A**

**PROJECT SITE LEGAL DESCRIPTION**

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

Lot 1 of Blocks 6310, 6311, 6312, 6313, 6314 and 6315 Sunnydale Low Rent Housing Project, as the same is shown on map thereof recorded December 30, 1941 in Map Book "O", Page 57, Records of the City and County of San Francisco.

APN: Lot 001; Blocks 6310, 6311, 6312, 6313, 6314 and 6315

Lots 61 through 68 inclusive, as shown on Map entitled, "Parcel Map being a Subdivision of Lot 57 shown upon that certain Map, recorded in Parcel Map Book 43, at Page 72 on May 13, 1997 also being a Subdivision of Lot 57, Assessor's Block No. 6356 San Francisco, California", filed March 07, 2003 in Book 45 of Parcel Maps, at Page 130, San Francisco County Records.

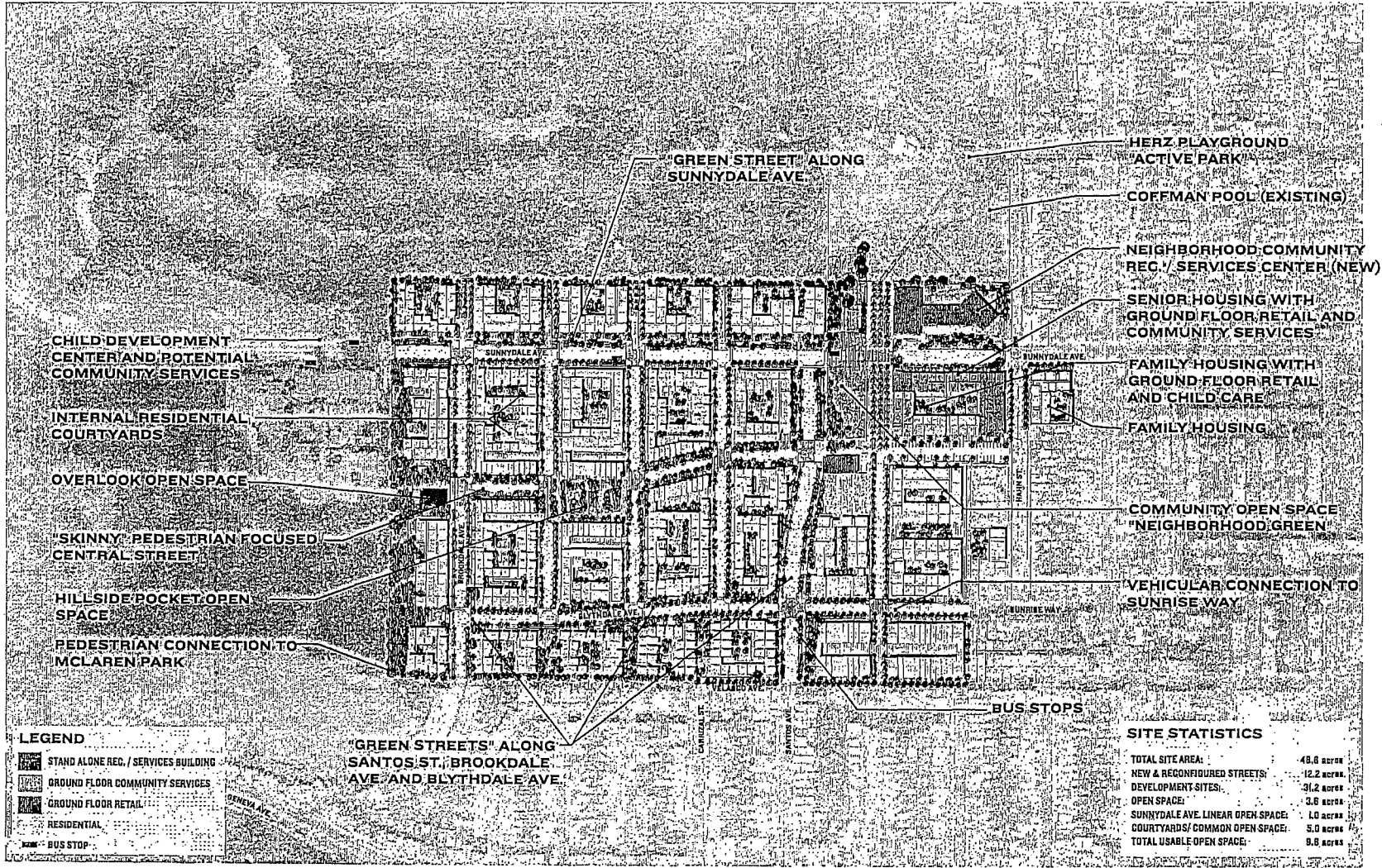
APN: Lots 061 through 068; Block 6356



**EXHIBIT B**

**SITE PLAN**

**[attached]**



**LEGEND**

- STAND ALONE REC. / SERVICES BUILDING
- GROUND FLOOR COMMUNITY SERVICES
- GROUND FLOOR RETAIL
- RESIDENTIAL
- BUS STOP

**SITE STATISTICS**

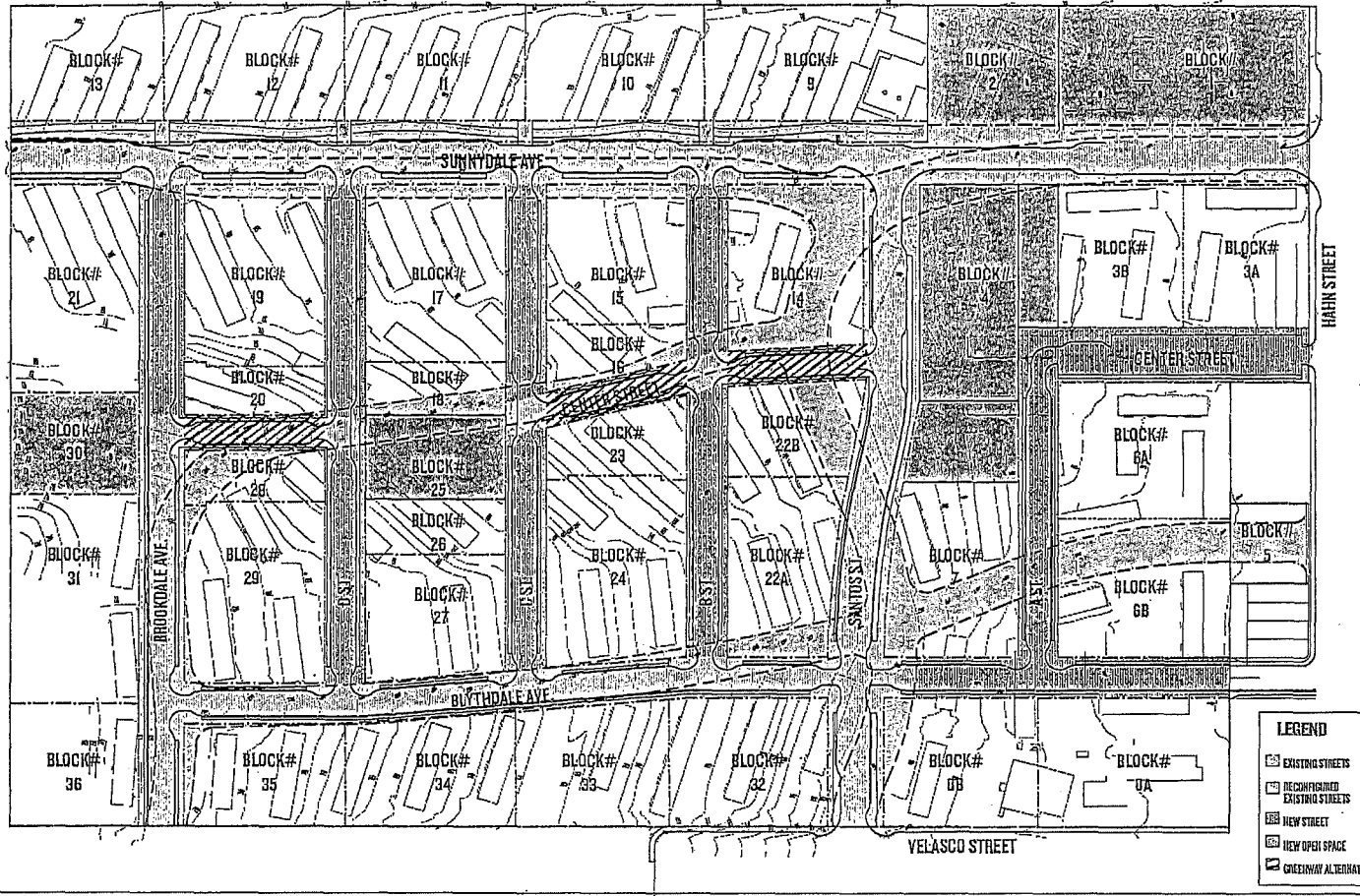
TOTAL SITE AREA:	48.6 acres
NEW & RECONFIGURED STREETS:	12.2 acres
DEVELOPMENT SITES:	31.2 acres
OPEN SPACE:	3.6 acres
SUNNYDALE AVE. LINEAR OPEN SPACE:	1.0 acres
COURTYARDS/ COMMON OPEN SPACE:	5.0 acres
TOTAL USABLE OPEN SPACE:	9.6 acres

**SUNNYDALE HOPE SF | MASTER PLAN**

SAN FRANCISCO, CA | OCTOBER 6, 2016 | MERCY HOUSING CALIFORNIA / THE RELATED COMPANIES OF CALIFORNIA



1593



**SUNNYDALE HOPE SF | NEW AND RECONFIGURED STREETS DIAGRAM + PRELIMINARY PARCEL MAP**  
 SAN FRANCISCO, CA | JUNE 17, 2015 | MERCY HOUSING, THE RELATED COMPANIES OF CALIFORNIA

**VAN METER**  
 WILLIAMS  
 POLLOCK  
 mercy HOUSING  
 RELATED

## EXHIBIT C

### PROJECT DESCRIPTION

The Sunnydale HOPE SF Project is public purpose, master-planned revitalization of the Sunnydale-Velasco public housing site into a new mixed income housing development with new replacement, affordable and market rate housing, streets and utility infrastructure, open spaces and community and retail spaces for the whole Visitacion Valley neighborhood. The current Project Site and buildings are owned and operated by the Housing Authority of the City and County of San Francisco (“SFHA”) and contains 775 units of public housing on approximately 50 acres. The Sunnydale HOPE SF Project is under the San Francisco HOPE SF Initiative, a public-private partnership to transform the City’s most distressed and isolated public housing communities into thriving, mixed income, healthy communities for existing residents of public housing, new residents, and the neighborhoods in which they are located.

The Developer, the Mayor’s Office of Housing and Community Development (“MOHCD”), and SFHA are committed to providing new high quality replacement housing for all current Sunnydale households. Under the SFHA’s Right to Return Policy and the City’s Right to Revitalized Housing Ordinance, existing Sunnydale households in good standing have the right to a replacement unit.

#### Master Plan

The master plan for this physical transformation was developed through community planning and design meetings at Sunnydale and the wider Visitacion Valley neighborhood in 2009-2010. Community planning and design meetings have continued since then with development topics such as building design, construction phasing and schedule, and funding. The CEQA and NEPA evaluation of this master plan was completed and approved in 2015 and modified in 2016 and allows:

- New construction of up to 1,770 housing units, including 1,074 replacement and other affordable rental units and 694 market rate units.
- Approximately 12 acres of reconfigured and new streets and utilities, transit-related infrastructure, and accessible paths of travel.
- Approximately 9.6 acres of new open spaces including 3.6 acres in four open space blocks, a 1 acre linear open space on the north side of Sunnydale Avenue, and 5 acres of private open space within the new housing developments.
- Up to 72,000 square feet of neighborhood-serving retail, community services, early childhood learning, after school programs, and other neighborhood amenities.

The FEIR/EIS for the Project approved in July 2015 and modified in June 2016 more fully describes the master plan that was evaluated by the Planning Department and HUD under the CEQA and NEPA criteria.

### **Project**

The Sunnydale HOPE SF Project that is memorialized in this Agreement, the Sunnydale HOPE SF Special Use District, and the Sunnydale Master Development Agreement is within the envelope of the approved master plan and consists of the following highlights:

- ❖ Construction of at least 969 new rent-restricted apartments that will be affordable to existing Sunnydale households (with rents at 30% of household income less utility allowances) and new apartments that will be affordable to households earning up to 60% of Area Median Income (as defined by the California Tax Credit Allocation Committee and regulated and monitored by the City through the Loan Agreement)(“AMI”). These affordable units will be constructed on 14 housing sites or blocks throughout the Project Site, including one vacant site located just across the street from the Sunnydale-Velasco site at the southeast corner of Sunnydale Avenue and Hahn Street.
- ❖ Construction of approximately 600 market rate housing units which are planned as for-sale homeownership units located on 22 blocks of varying sizes (with a 5 unit site being the smallest site). MOHCD may subsidize the development of affordable homeownership at some locations.
- ❖ Construction of four new open spaces at Blocks 2, 4, 25 and 30 totaling approximately 3.6 acres that will provide a variety of open space uses for the entire neighborhood, including children play areas, green and plaza spaces for a variety of uses, and spaces for urban agriculture.
- ❖ Construction of 30,000 gross square feet of new neighborhood spaces for local retail businesses, a health and wellness center, community based organizations, an early childhood learning program and other neighborhood amenities. This space will be located on the ground floors of Blocks 3A and 3B, two affordable senior and family developments.
- ❖ Construction of a new community center of approximately 30,000 gross square feet at Block 1 on Sunnydale Avenue and Hahn Streets, adjacent to and complementing the City’s Herz Playground and Coffman Pool. The community center will be designed to provide a neighborhood-wide set of amenities, such as an early childhood learning program, after school program, multi-purpose room, and a gymnasium for sports and recreation. Also adjacent to this center and to Herz will be the new Block 2 open space, which will provide a physical link between Herz Playground and Sunnydale Avenue.

- ❖ Construction of new public rights-of-way following the City's grid pattern that will reconnect the Project Site to the surrounding neighborhood. These new roadways will also include new public utility systems, new sidewalks and street furnishings, and transportation improvements that will increase access to MTA's public transit system. The new streets and water, sewer and electric infrastructure and the transportation improvements will be built per City standards and dedicated to the City.

### **Project Development Phases**

The demolition and construction of the entire Project will occur in 10-11 phases, so that existing households living in the Project Site can be relocated temporarily to on-site vacant units, or permanently and directly to newly constructed replacement units on site. Households may also be offered the opportunity to move permanently and voluntarily to affordable replacement housing units in other San Francisco neighborhoods. The goals for the phasing and for the resident relocation plans are to minimize the number of moves that existing households will have to make, and to provide a new affordable replacement unit to households as soon as possible, while also mixing the placement of affordable and market rate sites within the overall Project.

The Phasing Plan in Exhibit J describes the requirements for the Developer or its Affiliates to be able to progress from one Phase to the next Phase and the minimum requirements for completion of each component of a Phase of the Project. The following summarizes the desired development for each Phase, pending the availability of City funding for infrastructure and affordable housing development:

#### **Parcel Q infill development:**

- a. Development of a half-acre vacant lot into 40-60 units of Affordable Housing<sup>1</sup>

#### **Phase 1A-1:**

- a. Demolition of 52 existing units and surrounding infrastructure
- b. Construction of Block 6B, approximately 80-85 units of Affordable Housing

#### **Phase 1A-2:**

- a. Demolition of 56 existing units and surrounding infrastructure
- b. Construction of Block 6A, approximately 80-85 units of Affordable Housing
- c. Preparation of market rate Block 5 for sale

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<sup>1</sup> The term "Affordable Housing" as used throughout means any unit with deed restrictions (or similar use restrictions) for occupancy by households with annual household incomes not exceeding 60% of AMI. Affordable Housing includes Resident Replacement Units and Community Replacement Units.

Phase 1A-3:

- a. Demolition of 80 existing units and surrounding infrastructure
- b. Construction of Block 3A, approximately 80 Affordable Housing units for seniors ages 62 years and older
- c. Construction of Block 3B, approximately 92 Affordable Housing units for families
- d. Construction of 30,000 square feet of ground floor neighborhood serving spaces in Blocks 3A and 3B
- e. Construction of the new community center on Block 1

Phase 1B and 3C:

- a. Demolition of 134 existing units at the 1B development area and at Phase 3C at the west end of the site, plus surrounding infrastructure
- b. Construction of Block 7, approximately 69 Affordable Housing family units

Phase 1C:

- a. Demolition of 24 existing units and surrounding infrastructure
- b. Construction of 100 new Affordable Housing family units in Block 9
- c. Preparation of market rate lots 8A and 8B for sale
- d. Completion of Block 2 and 4 open spaces

Phase 2A:

- a. Demolition of 148 existing units and surrounding infrastructure
- b. Construction of 79 Affordable Housing family units in Block 10
- c. Construction of 54 Affordable Housing family units in Block 15
- d. Preparation of market rate blocks 14, and 16 for sale

Phase 2B:

- a. Demolition of 92 existing units and surrounding infrastructure
- b. Construction of 64-79 new Affordable Housing units in Block 11
- c. Preparation of market rate blocks 17 and 18 for sale
- d. Construction of Block 25 open space

Phase 2C:

- a. Demolition of 101 existing units and surrounding infrastructure
- b. Construction of 66 new Affordable Housing units in Block 19
- c. Preparation of market rate blocks 12, 13, and 20 for sale

Phase 3A:

- a. Demolition of 44 existing units and surrounding infrastructure
- b. Construction of 72 new affordable units in Block 24
- c. Preparation of market rate blocks 22A, 22B, 23, 32 and 33 for sale

Phase 3B:

- a. Demolition of 44 existing units and surrounding infrastructure

- b. Construction of these new Affordable Housing units: 40 units in Block 34 and 37 in Block 35
- c. Preparation of these market rate blocks for sale: 26, 27, 28, 29, 31, and 36

Phase 3C:

- a. Existing units demolished with Phase 1B work above
- b. Preparation of Block 21 market rate lot for sale
- c. Construction of Block 30 Open Space



## EXHIBIT D

### AFFORDABLE HOUSING PLAN

As described in Recital C of this Agreement, the Project is part of the HOPE SF City initiative. As such, the Project will involve demolition and replacement of public housing units, a vital housing resource to the City that serves extremely low-income individuals and families. It is the City and the Developer's intention to replace all 775 Sunnydale/Velasco public housing units with a combination of newly constructed Resident Replacement Units and Community Replacement Units and to assist those units with Project Based Section 8 or Rental Assistance Demonstration rent subsidies, or other similar and financially feasible Operating Subsidy. In addition to these replacement units, the Project will also include the construction of additional new rent-restricted units for households at or below 60% of Area Median Income (as defined by the California Tax Credit Allocation Committee and regulated and monitored by the City through the Loan Agreement) ("AMI") that are not replacement units but are to add to the City's affordable housing stock. It is anticipated that replacement and new Affordable Housing units will be mixed into the Affordable Parcels. Developer will apply to the City for predevelopment and gap funding for the Affordable Housing units as further described in Exhibit O, subject to terms and conditions in applicable Loan Agreement.

It is the intention of the City, the Housing Authority of the City and County of San Francisco ("SFHA"), and the Developer to transform the Project from its current condition into a vibrant, mixed-income community that is well-served by City infrastructure and well-connected to City resources and opportunities. The entitlements described in this Agreement, the Sunnydale SUD and the Design Standard Guidelines outline the vision for this revitalization.

The Developer shall comply with the following Affordable Housing Plan:

1. Number, composition and location of Affordable Housing units required in and for the Project:
  - a. At least 775 Resident Replacement Units (on-site or off-site).
  - b. Within the Project, at least 969 total Affordable Housing units, in accordance with the Phasing Plan, on Affordable Parcels. The unit composition of the Affordable Parcels shall be as follows:
    - i. The number of Resident Replacement Units necessary to reach a total unit count of 775 when combined with Resident Replacement Units located off-site.

- ii. The number of Community Replacement Units that, when combined with on-site Resident Replacement Units, achieves a total unit count of 775.
    - iii. At least 194 units, restricted to at or below 60% AMI, as new affordable housing stock in the City.
  - c. Notwithstanding the foregoing, if SFHA is unable to secure the Operating Subsidy necessary to construct some or all of the desired Community Replacement Units, the number of unassisted Affordable Housing units on-site shall increase commensurately to achieve a total of 969 units.
  - d. For the purposes of this section, Resident and Community Replacement Units provided on parcels that are on within current Sunnydale Project Site boundaries as described in the project description and within 1,000 feet of the boundaries of the Project Site shall be considered on-site. Units provided in locations beyond 1,000 feet of the boundaries of the Project Site shall be considered off-site.
- 2. Phasing of affordable housing units-
  - a. The City and the Developer intend to pursue an appropriate provision of Market Rate Parcels and Affordable Parcels in developing each Phase, as outlined in the Phasing Plan, to create a mixed income development is as follows:
    - i. Parcels in Q, Phase 1A-1 and 1A-2: 75% affordable, 25% market rate
    - ii. Phase 1A-3: 100% affordable, 0% market rate
    - iii. Phases 1B and 3C: 100% affordable, 0 % market rate
    - iv. Phase 2A: 50% affordable, 50% market rate
    - v. Phase 2B: 33% affordable, 67% market rate
    - vi. Phase 2C: 25% affordable, 75% market rate
    - vii. Phase 3A: 17% affordable, 83% market rate
    - viii. Phase 3B: 28% affordable, 72% market rate
    - ix. Phase 3C: no housing parcels
  - b. Developer and the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") will confer and mutually agree on revising the mix of Affordable Parcel and Market Rate Parcel developments described above if revisions are required due to financing, market conditions, or other factors.
- 3. Relocation of Existing Households
  - a. The provisions around the design, delivery, tenanting, and operations and maintenance of the Resident Replacement Units on-site and off-site must comply with the terms of the MDA, including an approved Relocation Plan, conformance with the City's Right to Return Ordinance, and all other applicable regulatory and funding requirements.

- b. Developer and City acknowledge that Permanent Relocation and Temporary Off-site Relocation in other San Francisco neighborhoods could expedite the development schedule and completion of the revitalization. Nonetheless, Developer will work to minimize off-site relocation.
  - c. Any off-site relocation must have the specific and prior consent of MOHCD.
  - d. All Permanent Relocation will be voluntary, exercised as a choice pursuant to the terms of the City's Right to Return Ordinance. Involuntary permanent off-site relocation of public housing households in good standing is prohibited.
  - e. Given the development Phasing Plan, Temporary Off-site Relocation may include without limitation relocation for longer than 12 months. Such relocation may proceed in accordance with the Relocation Plan, the City's Right to Return Ordinance, and all applicable state and federal relocation laws. Per Section 3c above, such relocation must have specific and prior consent of MOHCD .
  - f. The City shall work with the Developer to designate units within the City's affordable housing pipeline as Permanent Relocation units – subject to available funding, project schedules, and existing household demand – in order to facilitate the Project's development and Phasing Plan. Such units shall in all cases carry Operating Subsidies to assist relocated households.
  - g. The SFHA has initiated and will diligently pursue approval from HUD to demolish and dispose of the existing units and to secure project-based Operating Subsidy for all Resident Replacement Units. The SFHA, Developer and City will work together to maximize the value of all available Operating Subsidy; currently, among available Operating Subsidies, Section 8 PBV subsidies are the most valuable. The Parties further agree to work together to secure any HUD waiver or approval necessary to apply the project-based Operating Subsidy at its maximum value, which may occur pursuant to Section 106(a)(9) of the Housing Opportunity Through Modernization Act (Public Law 114-201, "HOTMA"), and/or through assistance secured under the Rental Assistance Demonstration Program, and/or via an award of a Choice Neighborhoods Implementation Grant or other revitalization grant, as each may be applicable.
  - h. Developer will provide, to the extent funding is available, services to support voluntary off-site relocation of existing households, such as connecting households with service coordinators and case managers to assist them with the application and the logistics of the move-in process.
4. BMR Units
- a. MOHCD reserves the right to include middle-income (61% - 150% AMI, as published by MOHCD) BMR Units in the development of Market Rate Parcels through the RFP sale process as further described in the MDA.

- b. In such a case, the required on-site unit percentages and associated requirements will be memorialized in the Market Rate parcel RFP and in a Notice of Special Restrictions to be required on the respective parcel at the time of transfer, and may also be included in the deed at transfer. Regulation of these units will follow typical BMR program policies and restrictions through MOHCD.
  - c. Without limiting MOHCD's rights to require BMR Units in some or all of the Market Rate Parcels, the Parties acknowledge and agree that the Project shall not be subject to any of the affordable housing obligations required by Planning Code Section 415, *et seq.* or any similar affordable/inclusionary housing requirements to which the Project would be subject in the absence of this Agreement.
5. Certain Definitions.
- a. **"Affordable Housing"** means any unit with deed restrictions (or similar use restrictions) for occupancy by households with annual household incomes not exceeding 60% of AMI. Affordable Housing includes Resident Replacement Units and Community Replacement Units.
  - b. **"Community Replacement Unit"** means a newly constructed rental unit within the Project Site intended to replace an existing unit within an Affordable Housing Development but that is not necessary for the occupancy of an existing Sunnydale household. Community Replacement Units shall be created to the extent that the Authority provides project-based Operating Subsidy in amounts that allow for their financially feasible construction and operation, as financial feasibility is determined by the Parties. Occupancy of Community Replacement Units shall be income-restricted in accordance with the regulations governing the relevant Operating Subsidy.
  - c. **"Operating Subsidy"** means project-based voucher rental assistance pursuant to Section 8(o)(13) of the United States Housing Act of 1937 or successor program; Section 8 project-based assistance pursuant to the Rental Assistance Demonstration Program; or such other permanent project-based subsidy provided by the HUD and distributed through SFHA that allows for the financially feasible construction and operation of Affordable Housing units.
  - d. **"Permanent Relocation"** means the relocation of an existing Sunnydale household to a new and permanent residence off-site and which waives the household's right to return to a new Sunnydale Resident Replacement Unit. Permanent Relocation is triggered if the duration of the off-site residence exceeds 12 months, unless the household waives Permanent Relocation rights and opts to maintain Temporary Off-site Relocation status.
  - e. **"Resident Replacement Unit"** means a newly constructed rental unit intended to replace an existing public housing unit for occupancy by an

existing Sunnydale household, in accordance with the MDA and applicable ground lease, located either within an Affordable Housing Development or off-site within the City, as a Permanent Relocation Unit voluntarily selected by the existing household in accordance with the Relocation Plan. Resident Replacement Units must be assisted with Operating Subsidy.

- f. **“Temporary Off-site Relocation”** means the temporary move of an existing Sunnydale household to an off-site residence for the purpose of constructing new Resident Replacement Units. Temporary relocation is typically defined by a term of less than 12 months, but may extend beyond 12 months with the consent of the relocating household. Temporarily relocated households retain a right to return to the on-site Resident Replacement Units.

## EXHIBIT E

### LIST OF PUBLIC INFRASTRUCTURE IMPROVEMENTS AND COMMUNITY IMPROVEMENTS

Each of the improvements classified below are described in more detail in this Agreement, the Design Standards and Guidelines, and the Master Infrastructure Plan attached to this Agreement as Exhibit P.

**Public Infrastructure Improvements:** The following Public Infrastructure Improvements (as defined in Section 2.87 of this Agreement) will be dedicated to the City and publicly-accessible:

- Streets
- Sidewalks adjacent to streets and related furniture, fixtures, and equipment
- Landscaping within the public right-of-way including but not limited to street trees on any streets or sidewalks classified as Public Infrastructure Improvements
- Pedestrian safety improvements on any streets or sidewalks classified as Public Infrastructure Improvements
- Bicycle improvements (lanes, sharrows, way-finding, bicycle parking) on any streets or sidewalks classified as Public Infrastructure Improvements
- Transit infrastructure improvements, including bus shelters, transit signals, street signs
- Utility infrastructure, as described in the Master Infrastructure Plan, and including all water, combined sewer, Public Stormwater Management Improvements, street lights, pedestrian lights, and electrical systems to be dedicated to the City
- Any open spaces acquired by the City

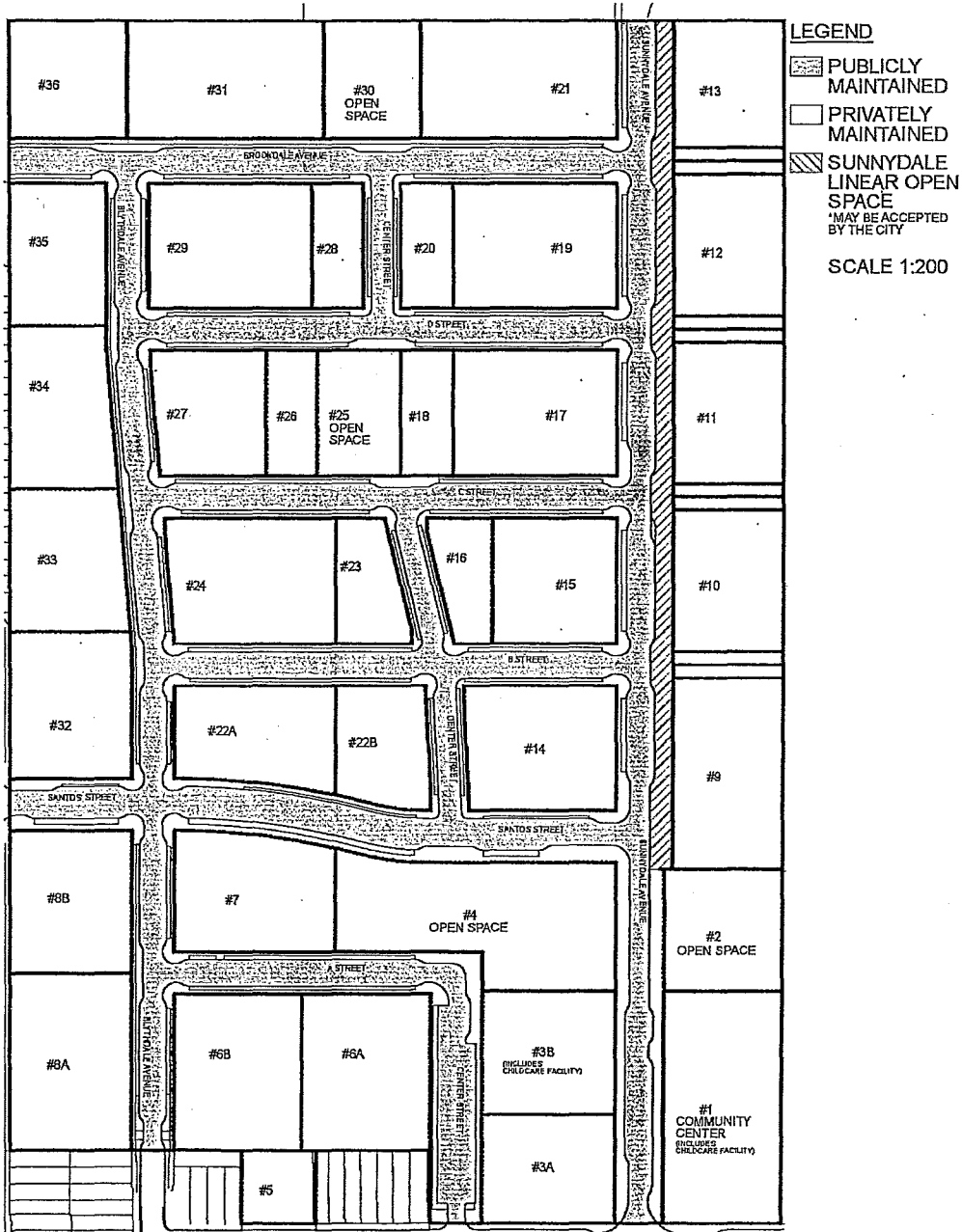
**Community Improvements:** The following Community Improvements will be privately-owned and publicly-accessible per the regulations specified in Exhibit G: Regulations for Access and Maintenance of Public Access Privately-Owned Community Improvements:

- All pedestrian plazas, pathways, and rights of way in the Project that are not specified as Public Infrastructure Improvements

- Bicycle improvements within any parks, plazas, pedestrian pathways, or other pedestrian rights of way that are not specified as Public Infrastructure Improvements
- Block 2 Plaza and Orchard Open Space
- Block 4 Neighborhood Green Open Space
- Block 25 Mid Terrace Open Space
- Block 30 Overlook Open Space
- Sunnydale Linear Open Space
- Childcare Facilities: childcare facilities will be established in the Block 1 community center and Block 3 neighborhood-serving space
- Community Facilities: community facilities will be established in the Block 1 community center neighborhood-serving space

# EXHIBIT F

## AREA OF PRIVATE MAINTENANCE AND OPERATIONS OBLIGATION MAP



**EXHIBIT F: MAINTENANCE AND OPERATIONS OBLIGATION MAP**

SAN FRANCISCO, CA | NOVEMBER 02, 2016 | SUNNYDALE HOPE SF PROJECT



## EXHIBIT G

### REGULATIONS REGARDING ACCESS AND MAINTENANCE OF PRIVATELY-OWNED COMMUNITY IMPROVEMENTS

These Regulations Regarding Access and Maintenance of Privately-Owned Community Improvements (“**Regulations**”) shall govern the use, maintenance, and operation of Privately-Owned Community Improvements. Privately-Owned Community Improvements are the open spaces, community facilities, and those sidewalks, bike paths, and pedestrian paths within the Project that are identified in Exhibit E, List of Public Infrastructure Improvements and Community Improvements.

#### 1. Community Improvements - Full Public Access

- a. The following Community Improvements will have full public access per the terms outlined in this section:
  - i. Bicycle and pedestrian improvements within any parks, plazas, pedestrian pathways, or other pedestrian rights of way that provide access between two streets that are not specified as Public Infrastructure Improvements
  - ii. The Sunnydale Linear Open Space
- b. This section does not pertain to open space Community Improvements, which are defined and outlined in Section 3 of this Exhibit G.
- c. Public Use. Developer, transferee, or successor homeowner’s association shall offer the Privately-Owned Community Improvements for the use, enjoyment and benefit of the public; *provided, however*, that Developer may use the Privately-Owned Community Improvements for temporary construction staging related to adjacent development (during which time the subject Privately-Owned Community Improvements shall not be used by the public) and that such construction is in accordance with the Development Agreement, the Basic Approvals, and any Implementing Approvals.
- d. No Discrimination. Developer shall not discriminate against, or segregate, any person, or group of persons, on account of race, color, religion, creed, national origin, gender, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, or acquired immune deficiency syndrome, acquired or perceived, in the use, occupancy, tenure or enjoyment of the Privately-Owned Community Improvements.
- e. Maintenance Standard. The Privately-Owned Community Improvements shall be operated, managed and maintained in a clean and safe condition in accordance with the anticipated and foreseeable use thereof.

- f. Temporary Closure. Developer shall have the right, without obtaining the prior consent of the City or any other person or entity, to temporarily close any or all of the Privately-Owned Community Improvements to the public from time to time for one of the following two reasons. In each instance, such temporary closure shall continue for as long as Developer reasonably deems necessary to address the circumstances described below:
- i. Emergency. In the event of an emergency or danger to the public health or safety created from whatever cause (including flood, storm, fire, earthquake, explosion, accident, criminal activity, riot, civil disturbances, civil unrest or unlawful assembly), Developer may temporarily close the Privately-Owned Community Improvements (or affected portions thereof) in any manner deemed necessary or desirable to promote public safety, security and the protection of persons and property; or
  - ii. Maintenance and Repairs. Developer may temporarily close the Privately-Owned Community Improvements (or affected portions thereof) in order to make any repairs or perform any maintenance as Developer, in its reasonable discretion, deems necessary or desirable to repair, maintain or operate the Privately-Owned Community Improvements.
- g. Arrest or Removal of Persons. Developer shall have the right (but not the obligation) to use lawful means to effect the arrest or removal of any person or persons who creates a public nuisance, who otherwise violates the applicable rules and regulations, or who commits any crime including, without limitation, infractions or misdemeanors in or around the Privately-Owned Community Improvements.
- h. Project Security during Periods of Non-Access. Developer shall have the right to block entrances to, to install and operate security devices, and to maintain security personnel in and around the Privately-Owned Community Improvements to prevent the entry of persons or vehicles during the time periods when public access to the Privately-Owned Community Improvements or any portion thereof is restricted or not permitted pursuant to this Agreement. Developer's proposal to install permanent architectural features that serve as security devices such as gates and fences shall be subject to Design Review Approval as detailed in this Agreement and the SUD.
- i. Removal of Obstructions. Developer shall have the right to remove and dispose of, in any lawful manner it deems appropriate, any object or thing left or deposited on the Privately-Owned Community Improvements deemed to be an obstruction, interference or restriction of use of the Privately-Owned Community Improvements for the purposes set forth in this Agreement,

including, but not limited to, personal belongings or equipment abandoned in the Privately-Owned Community Improvements.

- j. Temporary Structures. No trailer, tent, shack, or other outbuilding, or structure of a temporary character, shall be used on any portion of the Privately-Owned Community Improvements at any time, either temporarily or permanently; provided, however, that Developer may have temporary structures needed for construction staging (such as construction job trailers) and Developer may approve the use of temporary tents, booths, art installations, temporary displays, and other structures in connection with public events, temporary exhibitions, or Special Events.

## 2. Community Improvements - Partial Public Access

- a. The following Community Improvements will offer services and programs that are available to the public but are designed for, and for which access would only be granted, for specified programmed activities (i.e. classes). As such these improvements shall be considered partial public access. These improvements will be operated and maintained at the discretion of the Developer and/or its transferee, and in accordance with all applicable laws.
  - i. Childcare Facilities. It is anticipated that childcare facilities will be established in the Block 1 Community Center (the "Hub") and Block 3 neighborhood-serving space.
  - ii. Community Facilities. It is anticipated that community facilities will be established in the Block 1 Community Center (the "Hub") and Block 3 neighborhood-serving space.

## 3. Open Space Community Improvements

- a. The following Community Improvement open spaces will have full public access per the terms outlined in this section:
  - i. Block 2 Plaza and Orchard Open Space
  - ii. Block 4 Neighborhood Green Open Space
  - iii. Block 25 Mid Terrace Open Space
  - iv. Block 30 Overlook Open Space
- b. Hours of Operation. The Block 2 and Block 4 open spaces shall be open and accessible to the public from 5am to Midnight, seven days per week, and the Block 25 and Block 30 open spaces shall be open and accessible to the public from 5am to 9pm, seven days per week, unless reduced hours are approved by the Recreation and Park Commission or otherwise expressly provided for in this Agreement (including, without limitation, Temporary Closure and Restricted Access Events sections of these Regulations). Pursuant to Section 1.a.i. above and notwithstanding the hours of operation described in this Section 3.b., pedestrian

access through Blocks 4 and 25 shall be provided at all times. Pedestrian access through Blocks 4 and 25 shall provide a connection between the Center Street segments on either side of these blocks. No person shall enter, remain, stay or loiter in the open spaces when the open spaces are closed to the public, except persons authorized in conjunction with a public event reservation, Special Events, or other temporary closure, or authorized service and maintenance personnel. If a community room structure is built on Block 30, that facility will only be available through reservation as described below in Section e, Reservations for Public Events.

- c. Allowed Activities. Passive recreation, active recreation, picnics, and public events.
- d. Prohibited Activities:
  - i. Camping or sleeping when park is closed;
  - ii. Smoking;
  - iii. Alcohol consumption/open containers, unless associated with a public event at a reserved facility and within a designated area;
  - iv. Climbing or affixing items to trees or park furniture;
  - v. Amplified sound unless associated with a public event at a reserved facility and within a designated area;
  - vi. Off-leash dogs except in designated areas;
  - vii. Disorderly conduct, as defined in section 4.01 of the SF Municipal Code;
  - viii. Peddling and vending merchandise without SF permit or other authorization;
  - ix. Fires and cooking unless in designated BBQ area;
  - x. Temporary Structures, as defined above;
  - xi. Littering or dumping of waste;
  - xii. Graffiti or destruction of property;
  - xiii. Removal of plants, soil, park furniture or other facilities of the open space.
- e. Reservations for Public Events. The public shall have the right to reserve individual facilities and sports fields or courts within the open space, including picnic tables, BBQs, and sites for public events such as weddings, gatherings, or other community events, as appropriate for the space. During such public events, public access to other, unreserved facilities within the open space shall not be restricted.
  - i. Reservations shall be required for gatherings of 25 or more people, notwithstanding public rights of assembly granted under the 1st Amendment.
  - ii. No reservation shall exceed 24 hours; no individual facility shall be reserved more than 50% of all weekend days in a calendar year, and

reservations shall be reasonably distributed throughout the year to allow use of the facilities on a first-come, first-served basis.

- iii. Open space manager shall ensure the reservation holder will comply with applicable city regulations for waste reduction, recycling and composting.
  - iv. Manager shall have the right to request reasonable fees, commensurate with the fees required for similar facilities by the San Francisco Recreation and Parks Department ("RPD").
  - v. Procedures and fees for the reservation of facilities in the open space shall be reviewed by RPD and approved by the City Attorney.
  - vi. Up-to-date information about the reservation of facilities and fees shall be available online.
  - vii. Manager shall endeavor to coordinate provision of information about the reservation of facilities with RPD.
  - viii. Developer will have the right to require the event sponsor to provide evidence of adequate insurance coverage for the event and to hold the Developer harmless.
- f. Restricted Access Events. Closure of an entire open space for a restricted access event, called a "Special Event" or "Special Events," shall not exceed eight (8) single day (24-hour) events spread throughout the calendar year.
- g. Dogs. Dogs must be on leash, except in designated off-leash areas. Dog walkers are responsible for removing dog waste. Dog walkers are limited to eight dogs.
- h. Signs. Manager shall post signs at major public entrances and other key locations (such as public restrooms or structures), setting forth applicable regulations, including, hours of operation, prohibited activities, and contact information for security, repairs, and reservations.
- i. No Discrimination. Manager shall not discriminate against, or segregate, any person, or group of persons, on account of race, color, religion, creed, national origin, gender, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, or acquired immune deficiency syndrome, acquired or perceived, in the use, occupancy, tenure or enjoyment of the open space.
- j. Arrest or Removal of Persons. Open space managers shall have the right (but not the obligation) to use lawful means to effect the arrest or removal of any individuals who create a public nuisance, who engage in Prohibited Activities, or who commits any crime including, without limitation, infractions or misdemeanors in or around the open space.
- k. Temporary Closure. Manager shall have the right, without obtaining the prior consent of the City or any other person or entity, to temporarily close any or all of the open space to the public from time to time for one of the following two reasons. In each instance, such temporary closure shall continue for as long as manager reasonably deems necessary to address the circumstances described

below. In the event of a closure in excess of one week, the manager shall inform the Planning Director and General Manager of the Recreation and Park Department, who shall determine if the extended closure is warranted or would constitute a violation of required public access.

- i. Emergency. In the event of an emergency or danger to the public health or safety created from whatever cause (including flood, storm, fire, earthquake, explosion, accident, criminal activity, riot, civil disturbances, civil unrest or unlawful assembly), manager may temporarily close the open space (or affected portions thereof) in any manner deemed necessary or desirable to promote public safety, security and the protection of persons and property; or
  - ii. Maintenance and Repairs. Manager may temporarily close the open space (or affected portions thereof) in order to make any repairs or perform any maintenance as manager, in its reasonable discretion, deems necessary or desirable to repair, maintain or operate open space.
    - 1. Manager shall post notices within the open space a minimum of 72 hours prior to a planned closure for maintenance and repairs. Manager shall post signs within 24 hours of a closure for unplanned maintenance and repairs. Signs shall explain the nature and duration of the closure and provide appropriate contact information.
- i. Maintenance Standard. The open spaces shall be maintained in a clean and safe condition (including the provision of security features and personnel as necessary for the safety of the community) in accordance with the Recreation and Park Department park maintenance standards set forth in Proposition C and the Park Code or any successor standard that may be established by law for the maintenance of parks that are accessible to the public.
- m. Changes to Open Space Regulations.
  - i. It is anticipated that certain open spaces listed herein may be more appropriately operated using an amended set of regulations from those outlined in this section. Amendments may include limited operating hours and limitations on Special Events in order to maintain safety and to be considerate of neighboring residences.
  - ii. If the Developer desires to amend any of these regulations for a public open space, the Developer and/or its transferee shall state the requested amended terms in the Development Phase Application that contains the open space. Requested amendments shall be reviewed by RPD, MOHCD, and the Planning Department and approved by the Planning Department as part of the Development Phase Approval.

## EXHIBIT H

### IMPACT FEES AND EXACTIONS

Impact Fees and Exactions shall mean any fees, contributions, special taxes, exactions, impositions and dedications charged by the City in connection with the development of Projects under the Existing Standards as of the Effective Date, including but not limited to transportation and transit fees, child care requirements or in-lieu fees, housing (including affordable housing) requirements or fees, dedication or reservation requirements, and obligations for on-or off-site improvements, as more particularly described in this Exhibit H.

Impact Fees and Exactions shall not include Mitigation Measures, Processing Fees, permit and application fees, taxes or special assessments, and SFPUC Capacity Charges and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by Developer as and when due in accordance with applicable Laws.

**Table 1. Applicable Impact Fees and Exactions**

Fee/Exaction	Authority	Applicability		
		Affordable Housing Units	Market Rate Units	Commercial/Retail Uses
Visitacion Valley Community Facilities and Infrastructure Fee	S.F. Plan. Code §420; §406(b)1	No	Yes	No
School Impact Fee	Cal. Educ. Code §17620(b) Cal. Gov. Code §65995(b)	Yes, but subject to credit	Yes	No
Transportation Sustainability Fee	S.F. Plan. Code §411A; §406B(3)	No	No	No
Citywide Child Care Fee	S.F. Plan. Code §414A; §406(b)1; §420 / §423	No	No	No

Street Tree In-Lieu Fee	S.F. PWC §802; §806(d)(4)	No	No	No
Bicycle Parking In-Lieu Fee	S.F. Plan. Code §430	No	No	No

### General Terms

- Generally. The Project shall only be subject to the Impact Fees and Exactions as set forth in this Exhibit H, and the City shall not impose any new 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.
- Impact Fees and Exactions.
  - Developer and/or its Transferees shall pay all applicable Impact Fees and Exactions outlined in this Agreement that are in effect, on a City-Wide basis, at the time that Developer and/or its Transferees applies for or obtains, as applicable, a permit, authorization or approval in connection therewith.
  - After the Effective Date, except as set forth in this Exhibit H, 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 Project's Development Phases.
  - Any substitute Impact Fees and Exactions that amend or replace the Impact Fees and Exactions in effect on the Effective Date shall not be considered new categories of Impact Fees and Exactions except to the extent that they expand the scope of the existing Impact Fees and Exactions. In other words, if the City amends or replaces 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 Development Phases but the portion of the fee associated with the expanded scope would not apply to the Development Phases.
  - Per section 7.3.1(j) of this Agreement, while the City may not impose new or increase the scope of any Impact Fees and Exactions beyond those set forth in this Exhibit H, the Developer shall be responsible for the built-in fee escalators based on CPI that may be included in any Impact Fees and Exaction applied to the Project. All impact fees in this Exhibit H shall be subject to annual development fee infrastructure construction cost inflation adjustments as set forth in Planning Code Section 409(b).



- Processing Fees. For three (3) years following the Effective Date, as may be extended by the number of days in any extension of the Term under Section 3.2, Processing Fees for the Development Phases shall be limited to the Processing Fees in effect, on a City-Wide basis, as of the Effective Date (provided that to the extent Processing Fees are based on time and materials costs, such fees may be calculated based on the schedule for time and materials costs in effect on the date the work is performed by the City). Thereafter, Processing Fees for the Development Phases shall be limited to the Processing Fees in effect, on a City-Wide basis, at the time that Developer applies for the permit or approval for which such Processing Fee is payable in connection with the applicable portion of the Development Phase.
- Notwithstanding anything to the contrary above, Developer 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 Project, in effect at the time of assessment as included in this Exhibit H, and (ii) the SFPUC water capacity charges and connection fees, and wastewater capacity charges and connection fees, in effect at the time of assessment.
- Affordable Housing units. Every Affordable Housing unit is exempt from the Impact Fees and Exactions as specified in Table 1. This includes any Affordable Housing unit, or BMR Unit within a Market Rate building.
- Market Rate Units. Market Rate units are subject to the Impact Fees and Exactions as specified in Table 1. Market Rate unit Impact Fees and Exactions must be paid in full and may not be credited in-kind.
- Other Uses. Retail, commercial and community facility uses are subject to impact fees as specified in Table 1.
- Section 415 Applicability. Without limiting the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") rights to require BMR Units in some or all of the Market Rate Parcels, the Parties acknowledge and agree that the Project shall not be subject to any of the Affordable Housing obligations required by Planning Code Section 415, et seq. or any similar affordable/inclusionary housing requirements to which the Project would be subject in the absence of this Agreement.

#### **Description of Applicable Impact Fees and Exactions**

- Visitacion Valley Community Facilities and Infrastructure Fee: This fee is applicable as specified in Table 1 and will be collected as outlined in the referenced government code. This fee shall apply to Market Rate units developed in the Project.
- School Impact Fee: This fee is applicable as specified in Table 1 and will be collected as outlined in the referenced government code. This fee shall apply to all residential square footage created in the Project, but the Project will receive a credit of the fees due for any replacement of existing public housing units that already exist on site

(and thus are already served by the San Francisco Unified School District (“SFUSD”)) that are provided in the new residential square footage. The replacement public housing units will be designated in applicable building permit applications and on the building permit set, and if necessary, confirmed to San Francisco Department of Building Inspection and SFUSD in writing by MOHCD.

- Transportation Sustainability Fee: Per Planning Code (Sec. 406b) the Transportation Sustainability Fee is waived for the entire Project, including all Project housing units and commercial/retail uses.
- Citywide Child Care Fee: Consistent with Planning Code (Sec. 406b) and per this Agreement, Affordable Housing and Market Rate (including BMR Units) units and commercial/retail uses are exempt from this fee.
- Bicycle Parking In-Lieu Fee: Due to the in-kind provision of Class 2 bicycle parking in the Project, this fee is waived for the entire Project, including all Project housing units and commercial/retail uses.
- Street Trees In-Lieu Fee: Due to the in-kind provision of street trees in the Project, this fee is waived for the entire Project, including all Project housing units and commercial/retail uses.

**EXHIBIT I**

**WORKFORCE AGREEMENT MOU**

**[attached]**



**INTERAGENCY MEMORANDUM OF UNDERSTANDING  
AMONG  
THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO,  
THE MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT,  
THE CONTRACT MONITORING DIVISION  
AND  
THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
FOR THE  
SUNNYDALE-VELASCO PROJECT  
(Workforce Compliance, Development and Training)**

TABLE OF CONTENTS

	<u>Page</u>
<u>SECTION I. AGREEMENTS AMONG PARTICIPATING PARTIES</u> .....	3
A. Developer Compliance.....	3
B. Construction Workforce.....	3
C. Professional Services; Trainee Requirements.....	4
D. Permanent Workforce.....	5
<u>SECTION II. SFHA REQUIREMENTS; WORKFORCE DEVELOPMENT     MODIFICATIONS</u> .....	5
A. Construction Workforce Hiring Goals.....	5
B. Permanent Workforce Hiring Goals.....	6
C. Employment Placement Priority.....	6
<u>SECTION III. ROLES AND RESPONSIBILITIES</u> .....	7
A. Contract Monitoring Division.....	7
B. Housing Authority of the City and County of San Francisco:.....	7
C. Office of Economic & Workforce Development:.....	7
<u>SECTION IV. DEVELOPER ACKNOWLEDGEMENT</u> .....	8
<u>SECTION V. PREVAILING WAGE REQUIREMENTS</u> .....	8
<u>SECTION VI. COUNTERPARTS; FACSIMILE COPIES</u> .....	8

**INTERAGENCY MEMORANDUM OF UNDERSTANDING  
(SUNNYDALE/VELASCO REVITALIZATION PROJECT)**

This INTERAGENCY MEMORANDUM OF UNDERSTANDING (SUNNYDALE/VELASCO REVITALIZATION PROJECT) ( as amended from time to time in accordance with the terms hereof, this "**MOU**"), is entered into as of \_\_\_\_\_, 2016 (the "**Effective Date**"), is by and among the Housing Authority of the City and County of San Francisco, a public body, corporate and politic ("**SFHA**" or "**Authority**"), the City and County of San Francisco, a municipal corporation (the "**City**"), represented by and through the Mayor's Office of Housing and Community Development ("**MOHCD**"), its Office of Economic and Workforce Development ("**OEWD**") and its Contract Monitoring Division ("**CMD**"). The SFHA, MOHCD, OEWD and CMD are sometimes referred to herein, individually, as a "**Party**" and, collectively, as the "**Parties**".

**RECITALS**

A. SFHA, MOHCD and the Developer (as defined below) are parties to that certain Master Development Agreement (the "**MDA**") which sets forth the intentions of the parties to construct and develop on the former public housing projects of Sunnydale Public Housing and Velasco Public Housing Projects (the "**Sites**"), and major revitalization efforts which will consist of (the "**Project**"): (i) the demolition of the existing buildings, including, without limitation, ninety-four (94) two-story residential buildings comprised of seven hundred seventy-five (775) public housing dwelling units, on the Sites; (ii) the construction of up to one thousand seven hundred seventy (1,770) new dwelling units, including one-for-one replacement of the existing public housing units, affordable rental units, and market-rate and affordable for-sale units; (iii) the construction of up to sixteen thousand two hundred (16,200) square feet of neighborhood-servicing retail space; (iv) the construction of up to forty-six thousand three hundred (46,300) square feet of community service, recreational and educational facilities and space; (v) the development of approximately nine and one-half (9.50) acres of new parks and open spaces, including a community garden, a farmer's market pavilion and secure outdoor courtyards within residential buildings; and (vi) the development of approximately twelve and two-tenths (12.2) acres of a new and reconfigured street network, all of which is intended to be constructed to Leadership in Energy Efficient Design ("**LEED**") Neighborhood Development standards on the property.

B. Sunnydale Development Co., LLC, a California limited liability company (the "**Developer**"), whose members include Mercy Housing California, a California nonprofit public benefit corporation, and The Related Companies of California, LLC, a California limited liability company and SFHA entered in that certain Second Amended and Restated Exclusive Negotiating Rights Agreement dated October 22, 2015, as amended, providing, among other things, the Developer with the exclusive rights to negotiate with the SFHA for the redevelopment of the Sunnyvale and Velasco Public Housing Development.

C. Under the MDA, the Developer is responsible for the master development of the Sites, by undertaking certain work necessary to permit construction of new housing developments and other improvements within the Sites, all as more particularly described

therein. Such work includes creating separate legal parcels, grading and soil compacting such parcels, and constructing necessary supporting infrastructure, including parks and open space. The Developer intends to assign its rights under the MDA to the Affordable Housing Development Owners, for the construction of the affordable housing units on the Affordable Housing Development Sites, to Affiliates for the construction of Public Infrastructure and Community Improvements, and to the Market Rate Housing Development Owners for the construction of the market rate housing units on the Market Rate Housing Development Sites.

D. The proposed revitalization and transformation of the Sites is part of the "HOPE SF" initiative sponsored by the City, through MOHCD, and the Authority. HOPE SF is the nation's first large scale public housing transformation collaborative-aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income-communities without mass displacement of current residents. The City, through its various departments, will oversee the entitlement process and will provide construction, contracting and other regulatory oversight of the Project. On or about the date of this Agreement, the City, the Developer and the Authority are entering into a Development Agreement pursuant to the authority of authority of Section 65864 et seq. of the California Government Code and Chapter 56 of the Administrative Code.

E. Under Resolution No. 4967 adopted by the SFHA Board of Commissioners on February 22, 2001 ("**Resolution 4967**"), SFHA established, among other matters, a goal that contractors, in conjunction with their subcontractors, hire SFHA residents such that SFHA residents constitute a minimum of twenty five percent (25%) of the total workforce (calculated by person-hours) on all contracts covered by Resolution 4967.

F. The Developer is required to comply with certain City policies, including the City's Chapter 83; First Source Hiring Program ("**FSHP**") that sets forth a goal that fifty percent (50%) of new hire construction and entry-level permanent workforce positions through OEWD workforce system with priority given to qualified Sunnydale/Velasco public housing residents ("**SV Residents**"). As set forth herein, the Developer, its contractors and subcontractors, and its applicable commercial lessees will be required to use good faith efforts to reach the fifty percent (50%) new hire goals of its construction and entry-level permanent workforce in the following order of priority: (1) by qualified SV Residents; (2) District 10 residents of the 94134, 94124 and 94107 zip code areas; and (3) then San Francisco Residents.

G. The primary purpose of this MOU is to clarify and define the roles, responsibilities, goals and procedures of each of the Parties in relation to the "community and public benefit" program of the City for the development commonly known as Sunnydale-Velasco. Such "community benefit" program is designed to institute the mechanisms by which the Developer shall demonstrate the requisite good faith efforts necessary to achieve the specified workforce compliance, development and training goals for the Project.

H. The specific programs to be enforced and/or executed are:

- i. MOHCD's Small Business Enterprise Program ("**SBE**");



ii. First Source Hiring Program/San Francisco Municipal Code Chapter 83 ("First Source");

iii. Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. §§ 1701u, et seq.), and the implementing regulations at 24 CFR Part 135, et seq. ("Section 3 Requirements"); and

iv. Housing Authority of the City and County of San Francisco Resolution Number 4967("SFHA Reso. No. 4967").

These programs are amended through this MOU to incorporate specific goals of SFHA and define how the Developer, the Affiliates, the Affordable Housing Development Owners and their contractors and/or subcontractors may demonstrate good faith efforts to achieve the goals of such programs.

I. Capitalized terms used in this Agreement with are not defined, shall have the same meaning as such terms are given in the MDA.

**SECTION I.**  
**AGREEMENTS AMONG PARTICIPATING PARTIES.**

The Parties each respectively agree as follows:

A. **Developer Compliance.**

The workforce programs described in this MOU are all of the Parties' workforce program applicable to the Project. Accordingly, compliance with all requirements contained in this MOU shall relieve the Developer, Affiliates, the Affordable Housing Development Owners, the Market Rate Housing Development Owners or any assignee of the foregoing of all the workforce requirements, programs and/or policies of each of the Parties. The Parties acknowledge and agree that the workforce hiring priorities as provided in this MOU satisfy the FSHP, Resolution 4967 and if applicable, the Section 3 Requirements.

B. **Construction Workforce.**

**Developer, Affiliates and Affordable Housing Development Owners.**

The rules of MOHCD's SBE Program governs construction small business procurement.

CMD will monitor and enforce the SBE Program.

OEWD and its CityBuild Program (“City Build”) will monitor and enforce the construction workforce hiring for the Project.

All Parties shall have access to the electronic small business/local hiring/certified payroll system (e.g., Elations/LBEUTS)

OEWD/CityBuild, in cooperation with SFHA, will serve as the lead and initial point of contact between the Sunnydale community and construction (sub)contractors for construction worker placement with a residency modification to accommodate provisions of the Section 3 Requirements and Resolution 4967. These modifications are detailed in Section II of this MOU.

Contractor and/or subcontractors will also submit to Parties copies of all correspondences to/from CMD, MOHCD, OEWD/CityBuild and/or trade unions requesting resident workers and will attach these documents to their Certified Payroll Reports.

Market Rate Housing Development Owners.

a. OEWD/CityBuild, in cooperation with SFHA will serve as the lead and initial point of contact between the Sunnydale community and construction (sub)contractors for construction worker placement.

Contractor and/or subcontractors will also submit to Parties copies of all correspondences to/from CMD, MOHCD, OEWD/CityBuild and/or trade unions requesting resident workers and will attach these documents to their Certified Payroll Reports.

C. Professional Services.

1. Developer, Affiliates and Affordable Housing Development Owners.

a. The rules and procedures of the OEWD/ FSHP, govern professional services (sub) consultant placement, with a residency modification to accommodate provisions of the Section 3 Requirements and Resolution 4967. These modifications are detailed in Section II. of this MOU.

CMD will monitor and enforce the SBE Program.

OEWD in cooperation with SFHA, will serve as the lead and initial point of contact between the Sunnydale community and professional services (sub)consultants for placement.

Market Rate Housing Development Owners.

The rules and procedures of the FSHP, govern professional services (sub)consultant placement, and will be monitored and enforced by OEWD.

D. Permanent Workforce.

1. Developer, Affiliates and Affordable Housing Development Owners.

a. The rules of the FSHP governs permanent workforce hiring and placement, with a residency modification to accommodate provisions of the Section 3 Requirements and Resolution 4967. These modifications are detailed in Section II of this MOU.

CMD will monitor and enforce the SBE Program.

OEWD/CityBuild will monitor and enforce the permanent workforce hiring.

OEWD/CityBuild will serve as the lead and initial point of contact between the Sunnydale community and the Developer, Affiliates and Affordable Housing Developer Owners for permanent workforce placement.

For permanent workforce tracking, the Developer, Affiliates, and the Affordable Housing Development Owners and/or applicable retail tenants will submit a permanent workforce report to OEWD. The Developer, the Affordable Housing Development Owners, and/or applicable retail tenants will submit to Parties copies of all correspondence to/from SFHA, CMD or OEWD requesting assistance to ensure that permanent employment placement occurs according to the Section II priority

Market Rate Housing Development Owners

a. The rules of the FSHP governs permanent workforce hiring and placement, and compliance will be monitored and enforced by OEWD/CityBuild.

OEWD/CityBuild, will serve as the lead and initial point of contact between the Sunnydale community and the Market Rate Housing Development Owners for permanent workforce placement.

For permanent workforce tracking, the Market Rate Housing Development Owners and/or their retail tenants will submit a permanent workforce report to OEWD. The Market Rate Housing Development Owners and/or applicable retail tenants will submit to Parties copies of all correspondence to/from SFHA, CMD or OEWD requesting assistance to ensure that permanent employment placement occurs according to the Section II priority

**SECTION II.**

**SFHA REQUIREMENTS; WORKFORCE DEVELOPMENT MODIFICATIONS**

A. Construction Workforce Hiring Goals.

1. SFHA- Goal: at least 25 percent of all construction workforce hours shall be for Public Housing Residents pursuant to the requirements of SFHA Resolution No. 4967 (the "SFHA Hiring Goal"). The SFHA Hiring Goal can be included in the FSHP goal as provided below. The provisions of SFHA Reso. No. 4967 are applicable to any License Agreement entered into between SFHA and the Developer, Affiliates or an assignee or the Affordable Housing Development Owners, but not any Market Rate Housing Development Owners.

First Source Hiring Goal: Good faith effort of 50 percent of new hires through OWED/CityBuild workforce system. (the "FSHP Goal").

**B. Permanent Workforce Hiring Goals.**

1. The Developer, Affiliates and Affordable Housing Development Owners requirements are outlined below.

The rules of the FSHP shall govern permanent workforce hiring and placement, with a public housing residency modification to meet the SFHA Hiring Goal. These modifications are detailed in this Section II of this MOU.

In accordance with the requirements of Section 3, at least thirty percent (30%) of newly hired permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for three (3) years, such employee may no longer be counted as a Section 3 employee for purposes of the thirty percent (30%) Section 3 threshold requirement. Accordingly, recipients should continue to use good faith efforts to hire Section 3 residents when employment opportunities become available.

**C. Section 3 Requirements**

The Parties acknowledge and agree that the Section 3 Requirements are only applicable to the extent required by Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. §§ 1701u, et seq.), and the implementing regulations at 24 CFR Part 135, et seq. If Section 3 Requirements are applicable, CMD will monitor and enforce compliance with the Section 3 Requirements and OEWD/CityBuild will monitor and enforce compliance with the Section 3 workforce hiring goals.

**D. Employment Placement Priority.**

Residents will be placed in employment opportunities in the following order of preference, using good faith efforts:

1. Sunnydale (HOPE SF) Public Housing residents (named on lease);
2. SFHA residents within 94134
3. SFHA residents in 94124 and 94107;

4. SFHA residents in other zip codes;
  5. All other San Francisco residents.
- E. **Market Rate Housing Development Owners.**

The Parties acknowledge and agree that the provisions of SFHA Reso. No 4967; and provided no federal funds are provided to the Market Rate Housing Development Sites, the provisions of the Section 3 requirements, are not applicable to the Market Rate Housing Development Owners. The provisions of SFHA Reso. No 4967 are applicable to any License Agreement entered into between SFHA and the Developer, Affiliates or an assignee.

### **SECTION III.** **ROLES AND RESPONSIBILITIES**

A. **Contract Monitoring Division:** will serve as the primary agency to collect and share SBE data with Parties. In addition, CMD will be responsible for enforcement of the SBE Program.

B. **SFHA:** upon request, SFHA will verify if participants are public housing residents. OEWD/CityBuild shall provide SFHA with notice and the projected schedules regarding training and employment opportunities available under the Project. SFHA will assist with neighborhood outreach efforts and recruiting public housing residents to apply for the training and employment opportunities. SFHA will also provide resident data to CMD to track resident employment.

C. **Office of Economic & Workforce Development:** The OEWD/CityBuild is responsible for workforce construction data collection and enforcement of the FSHP. Furthermore, OEWD is the primary agency for developing and executing job-training program(s) specifically targeting residents to meet the goals and requirements outlined earlier. OEWD will also serve as the lead for referrals and placements.

1. To ensure an efficient work referral system, OEWD is the single point of contact and to work with the Developer, Affiliates, applicable retail tenants and Sunnydale and community residents for placement of San Francisco residents for permanent employment opportunities.

To ensure an efficient work referral system, the OEWD/CityBuild") will be the lead and initial point of contact between the Developer, its contractor/subcontractors and the Sunnydale and community residents for placement of San Francisco residents for construction work.

OEWD/CityBuild shall provide written reports to SFHA and MOHCD on a monthly basis on the progress that it has made in complying and implementing the provisions of this MOU.

**SECTION IV.**  
**DEVELOPER ACKNOWLEDGEMENT**

By its signature below, the Developer acknowledges this MOU. The Developer is an intended third party beneficiary of this MOU. The Parties shall not amend or terminate this MOU in any manner that will adversely affect the Developer without the written consent of the Developer.

**SECTION V.**  
**PREVAILING WAGE REQUIREMENTS**

All contractors are required to pay not less than the prevailing wage rate as determined by the General Prevailing Wage Determination made by the Director of the California Department of Industrial Relations. To the extent permitted by law, the provisions of this Section V shall not be applicable to the Market Rate Housing Development Owners.

**SECTION VI.**  
**COUNTERPARTS; FACSIMILE COPIES.**

This MOU shall be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This MOU shall be effective upon transmission by any party to the other parties of a fully-executed facsimile copy of this MOU, so long as a copy of this MOU signed by the transmitting party is delivered to the other parties within five (5) business days thereafter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed as of the Effective Date.

**SFHA:**

Approved as to Form:

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, of the State of California

By: \_\_\_\_\_  
Dianne Jackson McLean  
Goldfarb & Lipman LLP  
Special Legal Counsel

By: \_\_\_\_\_  
Name: Barbara T. Smith  
Title: Acting Executive Director

**MOHCD:**

DENNIS J. HERRERA,  
City Attorney,  
as counsel to the Agency

CITY AND COUNTY OF SAN FRANCISCO, a charter city of the State of California, acting by and through its MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

By: \_\_\_\_\_  
Heidi J. Gewertz  
Deputy City Attorney

By: \_\_\_\_\_  
Name: Olson Lee  
Title: Director

**OEWD:**

DENNIS J. HERRERA,  
City Attorney,  
as counsel to the Agency

CITY AND COUNTY OF SAN FRANCISCO, a charter city of the State of California, acting by and through its OFFICE OF WORKFORCE AND ECONOMIC DEVELOPMENT

By: \_\_\_\_\_  
Heidi J. Gewertz  
Deputy City Attorney

By: \_\_\_\_\_  
Name: Todd Rufo  
Title: Director

**CMD:**

DENNIS J. HERRERA,  
City Attorney,  
as counsel to the Agency

CITY AND COUNTY OF SAN FRANCISCO, a charter city of the State of California, acting by and through its GENERAL SERVICES AGENCY, CONTRACT MONITORING DIVISION

By: \_\_\_\_\_  
Heidi J. Gewertz  
Deputy City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Director

Signatures continues on following page

ACKNOWLEDGED AND AGREED:

**DEVELOPER:**

SUNNYDALE DEVELOPMENT CO.,  
a California limited liability company

By: MERCY HOUSING CALIFORNIA,  
a California nonprofit public benefit  
corporation

Its: Member

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

Name: \_\_\_\_\_

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



## EXHIBIT J

### PHASING PLAN

#### 1. Phase Development

- a. Each of the forty one (41) development blocks (consisting of a varying number of building and open space parcels) may be developed either by Developer, its transferee, or a Market Rate Parcel developer subject to the design controls in the Sunnydale SUD and Design Standards and Guidelines (the "DSG").
- b. Each block or selection of blocks will be submitted to Planning for review as part of a Development Phase Application as further outlined in Exhibit K and for Design Review as outlined in the Sunnydale SUD.
- c. Notwithstanding the requirements outlined in this Phasing Plan Exhibit, the Parties acknowledge that Developer shall have flexibility in the order and timing of the proposed development included in the Project.
- d. The Parties intend to pursue an appropriate provision of Market Rate Parcels and Affordable Parcels within each Development Phase as further described in Exhibit D Affordable Housing Plan. Each block and collection of blocks comprising a Development Phase will also include the associated required improvements listed in Table 1.
- e. With each Development Phase Application, the Developer must demonstrate incremental provision of Community Improvements according to Table 1 such that Community Improvements are provided in general proportionality to housing development.
- f. The required order of Phase development is as follows:
  - i. Phase 1 will consist of Block Q at a minimum.
  - ii. Phase 2 will consist of Blocks 6B and 6A (if not already included in Phase 1) and may consist of additional blocks at the Developer's election, subject to the availability of financing.
  - iii. All remaining blocks ("**Subsequent Blocks**") may be grouped into development phases ("**Subsequent Phases**") at Developer's election, subject to the availability of financing.
- g. Each Phase (Phase 1, Phase 2, and all Subsequent Phases) may be granted Development Phase Approval and Implementing Approvals while components of prior Phases are still in progress (have not yet been substantially completed, determined Complete and/or received Certificates of Occupancy), provided that prior phases have received Development Phase Approval as stipulated in Exhibit K.

- h. The Developer may begin construction of a subsequent Phase while components of a prior Phase are still in progress (have not yet been substantially completed, determined Complete and/or received Certificates of Occupancy). However, the Developer must Complete (as defined in this Agreement) the Community Improvements and the Affordable Housing units in the prior Phase (Public Infrastructure Improvements shall be substantially complete but do not need to be determined Complete) before receiving any Final Certificates of Occupancy for the subsequent Phase. This requirement may be waived on a phase-by-phase basis at the discretion of the Director of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") with mutual consent by the Planning Director.
- i. Certificates of Occupancy will be granted pursuant to the requirements outlined in the City's Municipal Code and Subdivision Code, which may require certain Public Infrastructure Improvements to be substantially complete prior to issuance.
- j. There are no required dates before which any Phase must commence or be completed. However, the Developer is required to submit Development Phase Applications for all Phases that have received predevelopment funding commitments from MOHCD within 12 months of receiving such funding commitments.
- k. All Development Phase Applications and Implementing Approvals must be completed within the term (as may be amended) of this Development Agreement.

## **2. CEQA Mitigation Measures**

- a. All CEQA mitigations applicable to each phase must be delivered in accordance with the Mitigation Monitoring and Reporting Program ("MMRP") as attached in Exhibit L, and any subsequent findings or amendments, as modified through this Development Agreement.

## **3. Community Improvements and Public Infrastructure Improvements**

- a. Each improvement listed in this Phasing Plan must be implemented in accordance with the guidelines set forth below. Descriptions of each improvement are available in the following documents: (i) DSG; (ii) the joint final Environmental Impact Report/Environmental Impact Statement prepared for the Project and more particularly described in Recital K of this Agreement ("FEIR/EIS"); (iii) the Master Infrastructure Plan as attached in Exhibit P ("MIP"); (iv) the Transportation Demand Management Plan as attached in Exhibit M ("TDM Plan").

b. Transportation and Infrastructure.

- i. The public right-of-way segments and infrastructure improvements required to be developed with each parcel or set of parcels are listed in Table 1 and shown in Plan 1. For each of the road segments in Table 1, the Developer must construct all applicable improvements described in the DSG, EIR, and MIP, in compliance with all applicable City laws, codes, and regulations in effect as of the date any application is submitted, including water and combined sewer system; power conveyance; road grading and surfacing; sidewalk construction, including the installation of furnishing and landscaping; Public Stormwater Management Improvements; traffic and pedestrian signs and signals; transportation improvements; traffic calming improvements; and the roadway intersections connecting any two constructed segments.
  1. Proposed roadways that are longer than 150 feet must accommodate fire truck access and turn-around either through a temporary T-intersection or via connection to another public right-of-way.
  2. New utilities must be stubbed out to the far side of any new roadway or intersection to accommodate future connections without disrupting the new roadways or streetscape improvements.
  3. If a street segment is constructed that intersects with another new street segment then the connecting intersection must be included in that Phase.
- ii. The Developer will design and install new Public Infrastructure Improvements in advance of or to match the construction buildout phasing of the Project. Developer must construct the Public Infrastructure Improvements that are required to serve the blocks and must functionally connect the Public Infrastructure Improvements to adjacent infrastructure systems before any buildings served by those improvements may receive a Temporary Certificate of Occupancy ("TCO"). This is consistent with the City's standard requirements for issuance of a TCO. The extent of the proposed Public Infrastructure Improvements within each block shall be based on an "adjacency" principle. Adjacency, or adjacent infrastructure, refers to infrastructure which is near to and may share a common border or end point with a block but may not be immediately adjoining or contiguous with a block, and represents the minimum necessary to serve the block.

- iii. The Public Infrastructure Improvements required for successive blocks will connect to the existing infrastructure systems as close to the edge of the proposed block as possible with permanent and/or temporary systems while maintaining the integrity of the existing system for the remainder of the Project Site.
  - iv. Service and public access must be maintained for all Existing Uses on the Project Site. The Developer is responsible for providing temporary infrastructure or retaining the existing infrastructure that is necessary to provide functional service to any Development Phase, or any occupied pre-existing Project Site residence, including utilities and street access, prior to full build out. The City is not obligated to accept as complete or operate temporary infrastructure.
- c. Transportation Demand Management. The TDM Plan, includes timing requirements for certain improvements, programs, and milestones. The Project must meet or exceed these timing requirements.
- d. Open Space. The following open spaces must be determined Complete per the following criteria:
- i. The open spaces on block 2 and block 4 must be determined Complete before more than 646 Affordable Housing units (or two-thirds of the required total) may receive Temporary Certificates of Occupancy;
  - ii. The open space on block 25 must be determined Complete before the Project's final 969<sup>th</sup> Affordable Housing unit receives its Temporary Certificate of Occupancy.
  - iii. The open space on block 30 must be determined Complete before the Project's final 969<sup>th</sup> Affordable Housing unit receives its Temporary Certificate of Occupancy.
  - iv. The open spaces listed above (blocks 2, 4, 25, 30) shall be included in a Development Phase Application. Each open space design will be reviewed and approved by the Planning Department as part of the Design Review process as outlined in the Sunnydale SUD and Exhibit K.
  - v. All open spaces, along with any supporting public rights-of-way and infrastructure, must be completed with the development blocks as specified in Table 1.
  - vi. The Sunnydale DSG outlines certain potential open space improvements that are not required elements of the Project, such as improvements to RPD's Herz Playground or McLaren Park, and may or may not be completed. If any of these potential open space

improvements are constructed by the Developer then they are to be submitted for review as part of a Development Phase Application.

- e. Community and Childcare Facilities. The community and childcare facilities included in the Project will replace and/or exceed the capacity of existing facilities currently operating on the Project Site. In addition to the phasing outlined in Table 1, new community and childcare facilities planned for blocks 1 and 3 are to be completed prior to the demolition or closure of existing corresponding facilities operating on the Project Site (i.e. a new childcare facility must be substantially complete such that it is ready for operation before the existing on-site childcare center is demolished), or childcare must be relocated per the Relocation Plan. Additionally, in no case can existing housing units be demolished for Community and Childcare Facilities until the occupants of such units are relocated according to the terms and requirements of the Relocation Plan.

#### **4. Stormwater Management Improvements**

- a. At all phases of development, the Developer must provide functioning and adequate Public Stormwater Management Improvements and Private Stormwater Management Controls in compliance with SFPUC post-construction stormwater management requirements, the Stormwater Design Guidelines, and the requirements and compliance standards outlined in the Sunnydale MIP (including the stormwater requirements in section 9.2.1 and proposed right-of-way controls in section 9.2.2 of the MIP) and referenced in Exhibit K Section 5.a.

#### **5. Community Improvements and Public Infrastructure Improvements to be Developed with Each Block**

- a. The Developer shall construct the following Community Improvements and Public Infrastructure Improvements with each block as specified in Table 1. For the purposes of this Table 1, the term "segment" shall mean the new public right-of-way and associated Public Infrastructure Improvements, as outlined in the Transportation and Infrastructure section of this Exhibit.
- b. Development blocks are listed in anticipated order of development within the Project. For those street segments that may be completed with multiple development blocks, the Developer must develop the identified street segments with the first block to be developed.

**Table 1.**

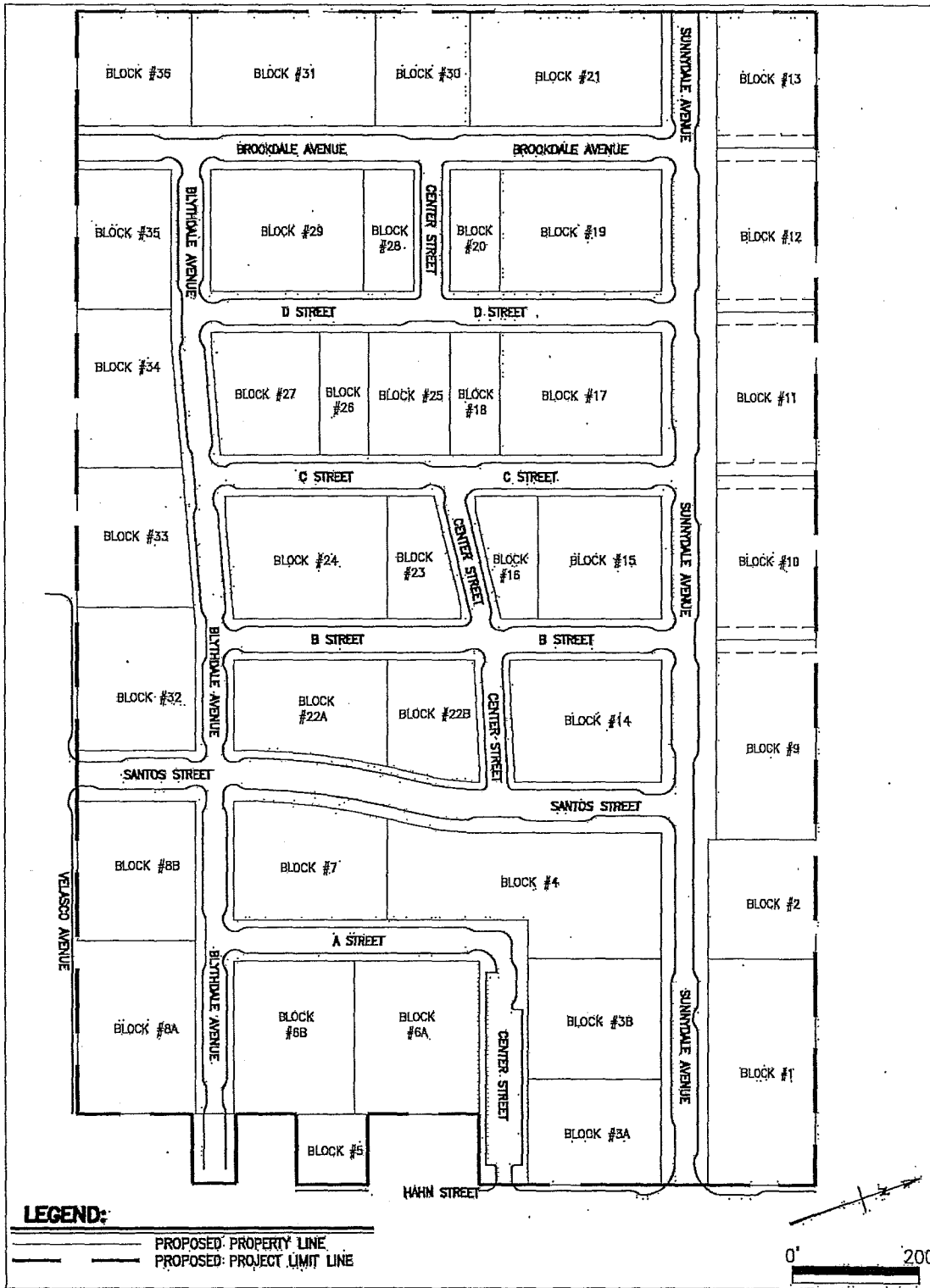
Block	Community Improvement and/or Public Infrastructure Improvements
Q	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
6B	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Blythdale and A Streets</li> <li>▪ Connection of new Blythdale to Sunrise Way</li> </ul>
6A	<ul style="list-style-type: none"> <li>▪ Adjacent street segments of A Street and Center Street</li> </ul>
5	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
3A	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Sunnydale Ave and/or Center Street</li> </ul>
3B	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Sunnydale Ave and/or Center Street</li> </ul>
1 (community center)	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Sunnydale Ave</li> </ul>
2 (open space)	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Sunnydale Ave</li> <li>▪ Block 2 must be completed prior to the issuance of Temporary Certificates of Occupancy for the 647th Affordable Housing unit</li> </ul>
4 (open space)	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Sunnydale Ave, Santos Streets, Center and A Street</li> <li>▪ Block 4 must be completed prior to the issuance of Temporary Certificates of Occupancy for the 647th Affordable Housing unit</li> </ul>
7	<ul style="list-style-type: none"> <li>▪ Adjacent street segments of Santos, Blythdale, and A Streets</li> </ul>
8A	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Blythdale Streets</li> </ul>
8B	<ul style="list-style-type: none"> <li>▪ Adjacent street segment of Santos and Blythdale Streets</li> </ul>
9	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> </ul>
14	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> <li>▪ Adjacent segments of new B, Santos and Center Streets</li> </ul>
10	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> </ul>
15	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> <li>▪ Adjacent new segments of new B, C and Center Streets</li> </ul>
16	<ul style="list-style-type: none"> <li>▪ Adjacent new segments of new Center, B and C Streets</li> </ul>
22B	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new B, Santos and Center Streets</li> </ul>

Block	Community Improvement and/or Public Infrastructure Improvements
11	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> </ul>
17	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> <li>▪ Adjacent segments of new C and D Streets</li> </ul>
18	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new C and D Streets</li> </ul>
12	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space</li> </ul>
13	<ul style="list-style-type: none"> <li>▪ Adjacent segment of Sunnydale Ave including portion of Sunnydale Linear Open Space and Gateway to McLaren Park</li> </ul>
19	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale, D, and Sunnydale Ave</li> </ul>
20	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale, D, and Center Streets or Greenway Alternative for Center Street</li> </ul>
22A	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new B, Santos, and Blythdale Streets</li> </ul>
23	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new B, C, and Center Streets</li> </ul>
24	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new B, C, and Blythdale Streets</li> </ul>
33	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Blythdale Streets</li> </ul>
32	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Blythdale and Santos Streets</li> </ul>
25 (open space)	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new D and C Streets</li> <li>▪ Block 25 must be completed before the Project's final 969<sup>th</sup> Affordable Housing unit receives its Temporary Certificate of Occupancy.</li> </ul>
26	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new D and C Streets</li> </ul>
27	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new D, C, and Blythdale Streets</li> </ul>
34	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Blythdale Street</li> </ul>
28	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale, D, and Center Streets or Greenway Alternative for Center Street</li> </ul>
29	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale, D, and Blythdale Streets</li> </ul>
35	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale and Blythdale Streets</li> </ul>
31	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Brookdale Street</li> </ul>
36	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Brookdale Street</li> </ul>

Block	Community Improvement and/or Public Infrastructure Improvements
21	<ul style="list-style-type: none"> <li>▪ Adjacent segments of new Brookdale Street and Sunnysdale Ave</li> <li>▪ Block 30 Overlook Open Space must be completed before issuance of a Temporary Certificate of Occupancy for Block 21</li> </ul>
30 (open space)	<ul style="list-style-type: none"> <li>▪ Adjacent segment of new Brookdale Street</li> <li>▪ Block 30 must be completed before the Project's final 969<sup>th</sup> Affordable Housing unit receives its Temporary Certificate of Occupancy</li> </ul>

**Plan 1.** [see following page]





## EXHIBIT K

### PROJECT DEVELOPMENT AND PHASE APPLICATIONS

1. Development Rights. As set forth in Section 2.1 of this Development Agreement (the "Agreement"), Developer shall have the vested right to develop the Project Site in accordance with and subject to the provisions of the Agreement, the Approvals, and any Implementing Approvals, and the City shall process all Implementing Approvals related to development of the Project Site in accordance with and subject to the provisions of the Agreement. Developer agrees that all improvements it constructs on the Project Site shall be done in accordance with the Agreement, the Approvals, and any Implementing Approvals, and in accordance with all applicable laws.

2. Compliance with CEQA. As set forth in Recital K of the Agreement, the Parties acknowledge that the FEIR/EIS prepared for the Project with the accompanying Addenda, if any, complies with CEQA. The Parties further acknowledge that (i) the FEIR/EIS and CEQA Findings contain a thorough analysis of the Project and possible alternatives to the Project, (ii) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Project, and (iii) the Board of Supervisors adopted a statement of overriding considerations in connection with the Project approvals, pursuant to CEQA Guidelines section 15093, for those significant impacts that could not be mitigated to a less than significant level. For these reasons, the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Project vested by the Agreement, as more particularly described by the Approvals, except as may be required by applicable law in taking future discretionary actions relating to the Project.

3. Vested Rights; Permitted Uses and Density; Building Envelope. By approving the Approvals, the City has made a policy decision that the Project, as currently described and defined in the Approvals, is in the best interest of the City and promotes the public health, safety and general welfare. Accordingly, the City in granting the Approvals and vesting them through the Agreement is limiting its future discretion with respect to Project approvals that are consistent with the Approvals. Consequently, the City shall not use its discretionary authority in considering any application for an Implementing Approval to change the policy decisions reflected by the Approvals or otherwise to prevent or to delay development of the Project as set forth in the Approvals. Instead, Implementing Approvals that substantially conform to or implement the Approvals, subsequent Development Phase (as defined in Section 4(a)) Approvals, and subsequent Design

Review Approvals (as defined in Section 4(d) below) shall be issued by the City so long as they substantially comply with and conform to the Agreement, the Approvals, the Design Standards and Guidelines (the "DSG") and the Master Infrastructure Plan as attached in Exhibit P to the Agreement, as applicable. Nothing in the foregoing shall impact or limit the City's discretion with respect to (i) Implementing Approvals that seek a Material Change to the Approvals, (ii) Board of Supervisor approvals of subdivision maps, as required by law, or (iii) requests for approval that may materially impair, alter or decrease the scope and economic benefit of the Community Improvements described in the Sunnydale Plan Documents related to the Sunnydale Project and the Agreement.

Each Approval or Implementing Approval shall remain in effect during the Term of the Agreement. Notwithstanding anything to the contrary above, each street improvement, building, grading, demolition or similar permit shall expire at the time specified in the permit or the applicable public improvement agreement approved under the City's Subdivision Code, with extensions as normally allowed under the Uniform Codes or as set forth in such public improvement agreement.

#### 4. Development of the Project.

a. Development Phases. The Project shall be built in phases ("**Development Phases**") in the manner described in the Phasing Plan in Exhibit J. The Parties currently anticipate that the Project will be constructed in Development Phases over approximately 10-20 years. Notwithstanding the general requirements for implementation of the Development Phases included in the Phasing Plan attached hereto as Exhibit J, the Parties acknowledge that for all phases, the Developer cannot guarantee the exact timing in which Development Phases will be constructed, whether certain development will be constructed at all, or the characteristics of each Development Phase (including without limitation the number of units constructed during each Development Phase and the parcels included within each Development Phase). Such decisions depend on numerous factors that are not wholly within the control of Developer or the City, such as market absorption and demand, interest rates, availability of project financing, public affordable housing financing resources, competition, and other similar factors. To the extent permitted by the Agreement, including those general requirements for implementation of the Development Phases as such restrictions are provided in the Phasing Plan, Developer shall have the right to develop the Project in Development Phases in such order and time, and with such characteristics as Developer requests, as determined by Developer

in the exercise of its subjective business judgment, but subject to the City's approval of each Development Phase, which approval shall not be unreasonably withheld, conditioned, or delayed.

b. Phasing Plan. The Community Improvements and certain Public Infrastructure Improvements to be constructed by Developer are listed in the Phasing Plan (Exhibit J to the Agreement) and are approved by the Approvals. The Phasing Plan reflects the Parties' mutual acknowledgement that certain controls shall guide the development of the Project and the phased provision of Affordable Housing, Market Rate parcel pads, Community Improvements, Public Infrastructure Improvements, and other Project elements. The Affordable Housing Plan, as provided in Exhibit D, defines certain controls for the phased production of affordable housing units to satisfy the Developer's obligation to provide a minimum of 969 affordable housing units in the Project. The Parties acknowledge and agree that the City cannot disproportionately burden a Development Phase in violation of the Phasing Plan. The Parties acknowledge that certain infrastructure or utility improvements may be required at an early stage of development in accordance with operational or system needs and the City may reasonably request Developer to advance certain Public Infrastructure Improvements at such earlier stage in order for efficiency and cost effectiveness. The Parties shall cooperate in good faith to amend the Developer's originally proposed Development Phase Application if needed to advance such improvements and to delay other improvements while maintaining the basic principles outlined in the Phasing Plan.

c. Development Phase Application Review and Approval.

At most (6) six months prior to submitting any Development Phase Application to the Planning Department for review, the Developer shall conduct a minimum of one pre-application meeting. The meeting shall be conducted at, or within a one-mile radius of, the Project Site, but otherwise subject to the Planning Department's pre-application meeting procedures. A Planning Department representative shall attend such meeting.

Prior to the commencement of each Development Phase, Developer shall submit to the Planning Department an application (a "**Development Phase Application**") in substantial conformance with the checklist attached hereto as Attachment 2. A detailed overview of the Development Phase Application process and required application content is attached hereto as Attachment 1. In addition to the items outlined in Attachment 1, the Planning Director shall

have the right to request additional information from Developer as may be needed to understand the proposed Development Phase Application and to ensure compliance with the Agreement, including but not limited to the applicable Sunnydale Plan Documents. The City will review the proposed improvements against the requirements of the Agreement and accompanying design controls. If the Planning Director objects to the proposed Development Phase Application, it shall do so in writing, stating with specificity the reasons for the objection and any items that it or they believe may or should be included in the Development Phase Application in order to bring the Development Phase Application into compliance with the terms of the Phasing Plan and the Agreement. The Planning Director agrees to act reasonably in making determinations with respect to each Development Phase Application, including the determination as to whether the terms outlined in the Phasing Plan have been satisfied. The Parties agree to meet and confer in good faith to discuss and resolve any differences in the scope or requirements of a Development Phase Application. Planning shall review Phase Applications within (30) thirty days of receipt in order to determine completeness. The Planning Director shall act on a Development Phase Application within (60) sixty days after receipt of a complete Development Phase Application upon his or her determination that the Development Phase is consistent with the Sunnydale Plan Documents and the Phasing Plan. If there are no objections, or upon resolution of any differences, the Planning Director shall issue to Developer in writing an approval of the Development Phase Application with such revisions, conditions, comments, or requirements as may be permitted in accordance with the terms of the Agreement (each a "**Development Phase Approval**").

Developer must receive approval of each Development Phase Application prior to Developer submitting applications for associated Implementing Approvals (including street improvement permits). Developer may submit associated applications for Design Review Approvals for vertical structures and Community Improvements within a Development Phase prior to approval of the Development Phase Application, but may not receive Design Review Approval for any elements of a Development Phase prior to the Development Phase Approval. The Planning Department, at their sole discretion, may agree to receive and begin review of Design Review applications concurrent with Development Phase Application review, but the Planning Department's time limits for review and approval of the Design Review application shall not begin until Development Phase Approval is granted.

An approved Development Phase Application may not limit the scope or content of related Public Infrastructure Improvements and approval thereof. The scope of required Public Infrastructure Improvements in each Development Phase may differ from the scope shown in the approved Development Phase Application in order to achieve appropriate access, functional utility systems and connections for improvements within that phase, and to maintain service to existing residents.

The Development Phase Approval notice shall be posted for at least 14 days as follows: (i) the Planning Department shall post notice of the Development Phase Application on the Planning Department's website for the project, which is accessible to the public via the "**Complete List of Plans and Projects**" webpage, or an equivalent webpage accessible to the public and dedicated to similar public disclosure purposes; (ii) Developer shall post notice at that area of the Project Site that is the subject of the given Development Phase Approval; and (iii) the Planning Department shall provide direct mail notice to surrounding neighborhood associations.

d. Design Review Approvals. The Approvals include a Planning Code text amendment that creates a Sunnydale HOPE SF Special Use District and incorporates the DSG for the Project Site (the "**Sunnydale Special Use District**" or "**Sunnydale SUD**"). The Sunnydale Special Use District and the DSG were created and adopted to ensure that the urban, architectural and landscape design of the buildings, public realm and Community Improvements at Sunnydale will be of high quality and appropriate scale, include sufficient open space, and promote the public health, safety and general welfare. To ensure that all new buildings, the new public realm and any Community Improvements related to implementation of the Project meet the DSG applicable to the Project, Developer must undergo a design review process ("**Design Review**") and obtain design review approval (a "**Design Review Approval**") before obtaining Implementing Approvals to commence construction of any proposed building or Community Improvement within or adjacent to the Project Site. The Design Review process and guidelines are more particularly described in the Sunnydale Special Use District.

(i) Design Review submissions are submitted to, reviewed, and approved by the Planning Department. All vertical structures must be submitted for Design Review Approval. The Planning Director or his or her designee shall review and approve, disapprove, or approve with recommended modifications each design in accordance with the

requirements of the Agreement, the Sunnydale Plan Documents, the applicable Development Phase Application, and the procedures specified in the Sunnydale Special Use District section of the Planning Code, as the same may be amended from time to time.

(ii) Notwithstanding anything to the contrary in the Agreement, the City may exercise its reasonable discretion in approving the aspects of a Design Review application that relate to the qualitative or subjective requirements of the DSG, including the choice of building materials and fenestration. Also notwithstanding anything to the contrary in the Agreement, in considering the Design Review for those aspects of a proposed building or Community Improvement that meet the quantitative or objective requirements of the DSG and the other Sunnydale Plan Documents (the “**Objective Requirements**”), including without limitation, the building’s proposed height, bulk, setbacks, location of uses and size of such uses, and amount of open space and parking, the City acknowledges and agrees that (i) it has exercised its discretion in approving the Sunnydale Special Use District, the DSG, and the other Sunnydale Plan Documents, and (ii) any proposed Design Review that meets the Objective Requirements shall not be rejected by the City based on elements that conform to or are consistent with the Objective Requirements, so long as the proposed building or Community Improvement meets the Uniform Codes and the DSG. If the Planning Director determines that an application for Design Review includes a Material Change to the Approvals, the Developer may be required to obtain Planning Commission approval of that change. The Planning Director shall consult with the Mayor’s Office of Housing and Community Development (“**MOHCD**”) Director and may, at his or her discretion, consult with any other City Agency, and shall determine if any other City Agency’s approval, other than MOHCD’s approval, is required before a particular Material Change to the Approvals can be brought before the Planning Commission.

(iii) Design Review Approvals of the Community Improvements. The Planning Department shall review the proposed Community Improvement for conformance with the DSG, issue preliminary approval of the Design Review application if it so conforms, or propose modifications to the Design Review application that create conformance with the DSG. The Planning Department shall then

circulate the Design Review application to other City departments for their review and comment to the extent that construction of the Community Improvement falls within the jurisdiction or permitting authority of such agency or department. Each agency or department shall review the proposed Community Improvement for conformance with the DSG and the agency or department's generally-applied technical design guidelines in effect at that time (to the extent that they affect the overall concept design of the Community Improvement) and shall provide comments on the Design Review application within (30) thirty days of receipt of a complete application. Any proposed modifications shall be consistent with the requirements of the Agreement, for so long as it is in effect. The Planning Department may request a revised Design Review application that conforms with any reviewing agency or department comments, consistent with the requirements and limitations of the Agreement, for so long as it is in effect. After considering any proposed modifications or revisions, and once it determines that the Design Review application conforms to the Sunnydale Plan Documents, the Planning Department shall issue final Design Review Approval of the Community Improvement to the Developer.

Nothing in this subsection shall be construed as a limitation on the discretion retained by any City agency or department under the terms of the Agreement.

e. Commencement of Development Phase. Upon receipt of a Development Phase Approval, Developer shall submit a tentative subdivision map application (if not already submitted) covering all of the real property within the Development Phase. The Developer also has the option to submit a tentative subdivision map application for the entire site and seek approval of phased final maps for each Development Phase. Following submittal of the tentative subdivision map application, Developer shall have the right to submit any associated Implementing Approval permits, such as street improvement permits and building permits, required to commence the scope of development described in each Development Phase Approval. The Planning Department may approve, but is not required to approve, Design Review applications for vertical structures or Community Improvements until after the submission of the tentative subdivision map application covering those properties.



Each Development Phase shall be deemed to have commenced if (i) site or building permits have been issued by the City for all or a portion of the buildings located in that Development Phase and (ii) some identifiable construction, such as grading, of all or a portion of that Development Phase has been initiated. Upon commencement of work in a Development Phase, Developer shall continue the work at a commercially reasonable pace to Completion of that Development Phase, including all Community Improvements, Stormwater Management Improvements and Public Infrastructure Improvements within the Development Phase in accordance with applicable permits and requirements under the Agreement to ensure that there are no material gaps between the start and Completion of all work within that Development Phase, subject to any Excusable Delay or amendment of the Development Phase Approval as permitted by Section 12.5.2 of the Agreement.

f. Amendment of a Development Phase Approval. At any time after receipt of a Development Phase Approval, Developer may request an amendment to the Development Phase Approval. Such amendment may include but is not limited to changes to the number and location of units proposed during that Development Phase, the substitution of a Community Improvement for another Community Improvement, or the delay of a Community Improvement from the Development Phase due to a proposed reduction of affordable housing development proposed for that Development Phase caused by a lack of sufficient funding. Any such requested amendment shall be subject to the review and approval process and the standards set forth above in Section 4(c). Such amendment may require the resubmission of street improvement permits if the amendment impacts infrastructure scope and/or design. Notwithstanding anything to the contrary above, Developer shall not have the right to eliminate any Community Improvement or Public Infrastructure Improvement for which construction or service has already commenced in that Development Phase.

g. Without limiting the foregoing, it is the desire of the Parties to avoid the result in Pardee Construction Co. v. City of Camarillo, 37 Cal.3d 465 (1984), in which the California Supreme Court held that because the parties had failed to consider and expressly provide for the timing of development, a later-adopted initiative restricting the timing of development prevailed over the parties' agreement. Accordingly, the Parties hereto expressly acknowledge that except for the construction phasing required by this Exhibit, the Sunnydale Plan Documents, the Phasing Plan, the Mitigation

Measures, and any express construction dates set forth in an Implementing Approval, Developer shall have the right to develop the Project in such order and at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment and consistent with any schedules or requirements included in any Loan Agreement with the MOHCD, as applicable to any particular phase or parcel.

5. Project Development Scope - Community Improvements, Stormwater Management Improvements and Public Infrastructure Improvements.

a. Developer Responsibilities. Developer shall undertake the design, development and installation of the Public Infrastructure Improvements and Community Improvements pursuant to the Sunnydale Infrastructure Plan, subsequent Master Utility Plans, and DSG, as applicable. Public Infrastructure Improvements shall be designed and constructed, and shall contain those improvements and facilities, as required by the applicable City Agency that is to accept, and in some cases operate and maintain, the Public Infrastructure Improvement in keeping with the then-current Citywide standards and requirements of the City Agency as if it were to design and construct the Public Improvement on its own at that time, including the requirements of any Non-Responsible City Agency with jurisdiction, provided that the design and construction of the Public Infrastructure Improvements are not in conflict with Existing Standards or Future Changes to Existing Standards in sections 7.2 and 7.3 of the Agreement. Without limiting the foregoing, any Community Improvement shall obtain a Design Review Approval from the Planning Department as set forth in Section 4(d) of this Exhibit and in the Sunnydale SUD.

Public Infrastructure Improvements and Community Improvements will be reviewed and approved by the responsible agencies in the following manner. Without limiting the foregoing, following submittal of a Development Phase Application, the Developer may submit applications for Design Review of vertical structures and Community Improvements as described above and in the Sunnydale SUD. Following approval of a Development Phase Application, the Developer may submit street improvement plans to the Department of Public Works (“DPW”) Task Force for review and approval by the relevant agencies. The SFPUC must approve all of the plans and specifications for all Public Stormwater Management Improvements, and all water, street light, combined sewer, and power facilities. DPW must approve all of the plans and specifications for roadways and public right-of-way streetscape, and must

approve all Public Infrastructure Improvements with the consent of applicable City Agencies. This process is further detailed in Attachment 1 of this Exhibit.

To meet SFPUC stormwater requirements, the Project has proposed permeable paving in the parking lanes and drive aisles in the public rights-of-way, which will be dedicated to the City and maintained by the City. The Developer will design and engineer the public rights-of-way with permeable paving, which SFPUC and DPW will review as part of the street improvement permit process for each phase of improvements. If in reviewing the street improvement permit plans for any phase of development the City determines that the permeable paving is not an acceptable surface within the drive aisles, parking lanes, or both, then the Project will use standard paving techniques and the Developer will not be responsible for managing the runoff that was intended to be managed by the permeable paving within the subject phase application; however other proposed stormwater management controls will continue be installed as described in the Infrastructure Plan. Determinations will be made on a phase-by-phase basis.

Construction of the Project shall comply with the phasing requirements outlined in the Phasing Plan in Exhibit J, subject to Excusable Delay. As outlined in the Phasing Plan, the Developer may begin construction of a subsequent Development Phase while components of a prior Development Phase are still in progress (have not yet been substantially completed, determined Complete and/or received Certificates of Occupancy). However, the Developer must Complete (as defined in the Agreement) the Community Improvements and the Affordable Housing units in the prior Phase before receiving any Final Certificates of Occupancy for buildings in the subsequent Phase (Public Infrastructure Improvements shall be substantially complete but do not need to be determined Complete). This requirement may be waived on a phase-by-phase basis at the discretion of the Director of MOHCD with mutual consent by the Planning Director. If the City issues a Final Certificate of Occupancy before component items are completed, then Developer shall promptly complete such items following issuance. If phasing requirements have not been waived as described herein and as outlined in the Phasing Plan, and the Developer fails to complete the improvements in an approved Development Phase within such time frame as outlined in the Phasing Plan, the City may decline to grant Final Certificate of Occupancy to those Community Improvements and Affordable Housing units, cease issuing any further Project approvals, not accept any additional applications for the

Project, and include in any estoppel certificate language reflecting Developer's failure to complete such required improvements. In addition, failure to continue to diligently prosecute such improvement to Completion shall, following notice and cure as set forth in Section 10.3 of the Agreement, be an Event of Default.

Notwithstanding the above, the Developer may propose interim or temporary infrastructure improvements, and DPW, with the consent of any affected City Agency in their respective sole discretion, may allow such interim or temporary infrastructure improvements and defer completion of required Public Infrastructure Improvements subject to terms and conditions that the City deems appropriate. The subject public improvement agreement shall address the interim or temporary infrastructure improvements along with sufficient security to guarantee the completion and removal of such improvements and security for the permanent Public Infrastructure Improvements. The City will not accept any interim or temporary improvements for maintenance and liability purposes.

Notwithstanding Administrative Code Chapter 23, the Director of Real Estate is authorized to accept on behalf of the City temporary public easements related to the construction, completion, and use of Public Infrastructure Improvements, including temporary or interim improvements, for a period not to exceed five (5) years.

Nothing in this subsection shall be construed as a limitation on the discretion retained by any City agency or department under the terms of the Agreement.

b. Maintenance and Operation of Community Improvements by Developer and Successors. The Parties agree that Developer, or its successors or assignees shall, in perpetuity, own, operate and maintain in good and workmanlike condition, and otherwise in accordance with all applicable laws and any applicable permits, all Community Improvements and permitted encroachments on the public-right-of-way that the City does not accept for maintenance. A map of the Project Site identifying all improvements subject to this on-going service, maintenance and operations obligation, and the respective land area of each sub-category of space (including, for example, the park and open space system, sidewalk and streetscape areas, etc.) is attached to the Agreement as Exhibit F and incorporated herein. The provisions of this Section 5(d) shall survive the expiration of the Agreement. In order to ensure that the Community Improvements owned by Developer

are maintained in a clean, good and workmanlike condition, Developer shall record a declaration of covenants, conditions, and restrictions ("CC&Rs") against the portion of the Project Site on which the Community Improvement will be located, but excluding any property owned by the City as and when acquired by the City, that include a requirement that a homeowner's association or community facility district provide all necessary and ongoing maintenance and repairs to the Community Improvements not accepted by the City for maintenance, at no cost to the City, with appropriate homeowners' dues and/or assessments to provide for such maintenance and services. Developer shall make commercially reasonable efforts to enforce the maintenance and repair obligations of the homeowner's association and/or the community facility district. The CC&Rs and/or regulations of the community facility district identified herein shall be subject to reasonable review and approval by the City Attorney, OEWD, and the Planning Department, and shall be recorded, prior to approval of the State department of Real Estate under the Davis Stirling Community Interest Development Act in the case of CC&Rs, and shall expressly provide the City with a third-party right to enforce the maintenance and repair provisions of the responsible entities. On or before the recordation of the documents, MOHCD shall reasonably approve the proposed commercially reasonable budget for the on-going maintenance and operations of the Community Improvements. Notwithstanding the foregoing, if the City, acting through the Recreation and Parks Department ("RPD"), acquires one or more Project parks, consistent with the terms in Exhibit N, as attached to the Agreement, the Developer shall ensure that the costs associated with meeting all of the terms and obligations for park maintenance based on the terms in Exhibit N shall be included in the CC&Rs and/or any community facility district established for the Project Site.

c. Maintenance of Stormwater Management Improvements. Pursuant to the requirements of the Public Works Code, the SFPUC must approve a Stormwater Control Plan that describes the activities required by Developer to appropriately design, install, and maintain the Stormwater Management Improvements within each Development Phase as further described in the Phasing Plan in Exhibit J of the Agreement. For Private Stormwater Management Controls, Developer shall record a maintenance agreement and restrictive covenants that include a requirement that the appropriate entities provide ongoing maintenance and repairs to the Private Stormwater Management Controls in the manner required by the Stormwater Control Plan, at no cost to the City, with appropriate dues and or assessments to

provide for such maintenance. As set forth above, Developer shall make commercially reasonable efforts to enforce the maintenance and repair obligations of the responsible entities during the Term of the Agreement. The Parties agree that Public Stormwater Management Improvements shall be dedicated to, and accepted by, the City as Public Infrastructure Improvements. Runoff from the public right-of-way areas will be managed within the public right-of-ways using green stormwater infrastructure, as approved by applicable City Agencies, and as detailed in the Master Infrastructure Plan in Exhibit P. The City will not maintain or accept Stormwater Management Improvements right-of-ways that accept runoff from private parcels.

d. Permits to Enter City Property. Subject to the rights of any third-party and the City's reasonable agreement with respect to the scope of the proposed work and insurance or security requirements, and provided Developer is not then in default under the Agreement, each City Agency with jurisdiction shall grant permits to enter City-owned property on the City's standard form permit and otherwise on commercially reasonable terms in order to permit Developer to enter City-owned property as needed to perform investigatory work, construct and/or maintain Public Infrastructure Improvements and Stormwater Management Improvements, and complete the Mitigation Measures as contemplated by each Development Phase Approval. Such permits may include release, indemnification and security provisions in keeping with the City's standard practices.

6. Non-City Regulatory Approvals for Community Improvements and Public Infrastructure Improvements.

a. Cooperation to Obtain Permits. The Parties acknowledge that certain Community Improvements and Public Infrastructure Improvements, may require the approval of federal, state, and local governmental agencies that are independent of the City and not a Party to the Agreement ("**Non-City Responsible Agencies**"), including but not limited to the California Public Utilities Commission and the United States Department of Housing and Urban Development ("**HUD**"). The Non-City Responsible Agencies may, at their sole discretion, disapprove installation of such Community Improvements or Public Infrastructure Improvements, making such installation impossible. The City will cooperate with reasonable requests by Developer to obtain permits, agreements, or entitlements from Non-City Responsible Agencies for each such improvement, and as may be necessary

or desirable to effectuate and implement development of the Project in accordance with the Approvals (each, a “**Non-City Regulatory Approval**”). The City’s commitment to Developer under this Section 6(a) is subject to the following conditions:

(i) Throughout the permit process for any Non-City Regulatory Approval, Developer shall consult and coordinate with each affected City Agency in Developer’s efforts to obtain the Non-City Regulatory Approval, and each such City Agency shall cooperate reasonably with Developer in Developer’s efforts to obtain the Non-City Regulatory Approval; and

(ii) Developer shall not agree to conditions or restrictions in any Non-City Regulatory Approval that could create: (1) any obligations on the part of any City Agency, unless the City Agency agrees to assume such obligations at the time of acceptance of the Public Infrastructure Improvements; or (2) any restrictions on City-owned property (or property to be owned by City under the Agreement), unless in each instance the City, including each affected City Agency, has previously approved the conditions or restrictions in writing, which approval may be given or withheld in its sole discretion.

b. Costs. Developer shall bear all costs associated with applying for and obtaining any necessary Non-City Regulatory Approval. Developer shall be solely responsible for complying with any Non-City Regulatory Approval and any and all conditions or restrictions imposed as part of a Non-City Regulatory Approval, whether the conditions apply to the Project Site or outside of the Project Site. Developer shall have the right to appeal or contest any condition in any manner permitted by law imposed under any Non-City Regulatory Approval, but only with the prior consent of the affected City Agency if the City is a co-applicant or co-permittee or the appeal impacts the rights, obligations or potential liabilities of the City. If Developer demonstrates to the City’s satisfaction that an appeal would not affect the City’s rights, obligations or potential liabilities, the City shall not unreasonably withhold or delay its consent. In all other cases, the affected City Agencies shall have the right to give or withhold their consent in their sole discretion. Developer must pay or otherwise discharge any fines, penalties, or corrective actions imposed as a result of Developer’s failure to comply with any Non-City Regulatory Approval, and Developer shall

indemnify the City for any and all Losses relating to Developer's failure to comply with any Non-City Regulatory Approval.

c. Continuing City Obligations. Certain Non-City Regulatory Approvals may include conditions that entail special maintenance or other obligations that continue after the City accepts the dedication of Public Infrastructure Improvements (each, a "**Continuing Obligation**"). Standard maintenance of Public Infrastructure Improvements, in keeping with City's existing practices, shall not be deemed a Continuing Obligation. Developer must notify all affected City Agencies in writing and include a clear description of any Continuing Obligation, and each affected City Agency must approve the Continuing Obligation in writing in its sole discretion before Developer agrees to the Non-City Regulatory Approval and the Continuing Obligation. Upon the City's acceptance of any Public Infrastructure Improvements that has a Continuing Obligation that was approved by the City as set forth above, the City will assume the Continuing Obligation and notify the Non-City Responsible Agency that gave the applicable Non-City Regulatory Approval of this fact.

d. Notice to City. In the event that Developer has not obtained, despite its good faith diligent efforts, a necessary Non-City Regulatory Approval for a particular Community Improvement or Public Infrastructure Improvement within three (3) years of Developer's or the City's application for the same, Developer, after consultation with the City regarding the most preferable approach, shall provide written notice to the City of its intention to (i) continue to seek the required Non-City Regulatory Approval from the Non-City Responsible Agency, (ii) amend the requirement that Developer construct the Community Improvement or Public Infrastructure Improvement with a requirement that Developer construct a new Community Improvement or Public Infrastructure Improvement not listed on the Phasing Plan (an "**Alternate Improvement**").

e. Extensions and Negotiations for Alternate Improvements. If Developer provides notice to the City of its intention to continue to seek Non-City Regulatory Approval of the Public Infrastructure Improvement or Community Improvement, as permitted by Section 6(a), the Parties shall continue to make good faith and commercially reasonable efforts to obtain the required Non-City Regulatory Approval for a reasonable period agreed to by the Parties (the "**Extension Period**"). The Parties shall meet and confer in good faith to determine what work within the Development Phase can



continue during the Extension Period in light of the failure to obtain the Non-City Regulatory Approval, subject to the Mitigation Measures. If, after the expiration of the Extension Period, Developer has not yet obtained the required Non-City Regulatory Approval for the Public Infrastructure Improvement or Community Improvement, Developer, after consultation with the City regarding the most preferable approach, shall provide written notice to the City of its intention to pursue an Alternate Improvement. The Parties, by mutual consent, may also agree in writing to an extension of the Extension Period to obtain required approvals for any Public Infrastructure Improvement, Community Improvement, or Alternate Improvement, which shall not require an amendment to the Agreement.

f. Alternate Improvements. If Developer provides notice of its intention to pursue an Alternate Improvement pursuant to Section 6(a), the Parties shall make reasonable and good faith efforts to identify such Alternate Improvement in a timely manner. The Parties shall negotiate in good faith to reach agreement on the Alternate Improvement. The Parties acknowledge and agree that any Alternate Improvement should be designed so as to replicate the anticipated public benefits from the Community Improvement or Public Infrastructure Improvement to be eliminated to the greatest possible extent but without increasing the cost to Developer of the original improvement, thus maintaining the benefit of the bargain for both Parties. The estimated cost to Developer shall be evaluated through the same public financing processes outlined in Exhibit O on Public Finance. In addition, any proposed Alternate Improvement should minimize disruptions or alterations to the Phasing Plan and Project design. The Planning Department shall review the proposed Alternate Improvement pursuant to the Development Phase Approval amendment process set forth in Section 4(f). Upon City approval of such Alternate Improvement, Developer may file Design Review Applications and obtain Design Review Approvals and any associated Implementing Approvals to construct and complete the amended Development Phase in which the original improvement would have been required. The time permitted for Developer to complete construction of the Alternate Improvement shall be established in writing (without need for an amendment to the Agreement), and the City shall allow a commercially reasonable time for Developer to Complete the Alternate Improvement without delaying, preventing or denying approvals for any other development set forth in the amended Development Phase Approval. The Parties understand and agree that any Alternate Improvement may require additional environmental review under CEQA, and Developer shall be

responsible for any and all costs associated with such CEQA review. So long as the Parties continue to diligently work together to negotiate proposed adjustments relating to an Alternate Improvement, any delay caused thereby shall be deemed to be an Excusable Delay.

7. Cooperation.

a. Agreement to Cooperate. The Parties agree to cooperate with one another to expeditiously implement the Project in accordance with the Approvals, Development Phase Approvals, Design Review Approvals, Implementing Approvals and the Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of the Approvals are fulfilled during the Term. Except as specifically provided in the Agreement, the City has no additional obligation to spend any sums of money or incur any costs other than City Costs that Developer must reimburse under the Agreement or costs that Developer must reimburse through the payment of Processing Fees.

(i) New Market Tax Credits. The Parties agree that should New Market Tax Credits ("NMTC") be available for the Project, the City shall cooperate with the Developer in their efforts to obtain NMTC for the Project; provided, however, that the City will not be obligated to grant NMTC to the Project and such cooperation does not include an agreement to ensure prioritization over any other project seeking NMTC.

(ii) Low Income Housing Tax Credits. The Parties agree that should Low Income Housing Tax Credits ("LIHTC") be available for the Project, the City shall cooperate with the Developer in their efforts to obtain LIHTC for the Project, as further detailed in Exhibit O Public Financing; provided, however, that the City will not be obligated to grant LIHTC to the Project and such cooperation does not include an agreement to ensure prioritization over any other project seeking LIHTC.

(iii) Mello Roos Community Facilities District ("CFD"). The Parties agree that the City shall cooperate with the Developer to set up one or more CFDs to fund capital improvements and/or ongoing maintenance as permitted by State law including any ongoing maintenance cost obligations to the City pursuant to the terms

included in Exhibit N, attached to the Agreement, if the City purchases one or both of the parks.

(iv) Other Grants and Subsidies. The Parties agree that the Project includes a number of costs that may be eligible for various grant and subsidy programs administered by various City, State or Federal agencies, including costs associated with the development of open space, transportation infrastructure, and other facilities that will serve the greater Visitacion Valley community. Should such subsidies be available for the Project, the City shall cooperate with the Developer in their efforts to obtain those subsidies; provided, however that nothing in this section creates any obligation to award such grants or subsidies to the Developer or the Project, and any such grant or subsidy will require the provision of identified public benefits as applicable.

b. Priority Application Processing. The Parties agree that, in consideration for the fact that the project is a City initiative to provide affordable housing to San Francisco's most deserving residents, all Project elements seeking Planning Department approval will be deemed Type 1 Priority Projects under Planning Director Bulletin No. 2, Planning Department Priority Application Processing Guidelines, as revised in February 2014, and as may be amended from time to time.

To the extent that any other City Agency or department, including but not limited to the Department of Building Inspection, decides to utilize the guidelines in Planning Director Bulletin No. 2 to govern its own review and/or approval processes, the City agrees to apply these same tiers of processing priority to the Project.

c. Role of Planning Department. The Parties agree that the Planning Department, or its designee, will act as the City's lead to facilitate coordinated City review of applications for Development Phase Approvals and Design Review Approvals. As such, Planning Department staff will: (i) work with Developer to ensure that all such applications are technically sufficient and constitute complete applications and (ii) interface with City Agency staff as needed to ensure that City Agency review of such applications are concurrent and that the approval process is efficient and orderly and avoids redundancies.

d. City Agency Review of Individual Permit Applications. Following issuance of Development Phase Approval as set forth in the Agreement, the Parties agree to prepare and consider applications for Implementing Approvals in the following manner.

e. City Agencies. Developer will submit each application for Implementing Approvals, including applications for street improvement permits and building permits for housing developments, to the applicable City Agencies as further described in Attachment 1 to this Exhibit. Each City Agency will review submittals made to it for consistency with approvals made on prior Development Phases, and will use good faith efforts to provide comments and make recommendations to the Developer within the response timelines outlined in each subsection below. City Agency response timelines begin as of the City Agency's receipt of such application and upon approval of any prerequisite submissions (such as a Development Phase Approval). The City Agencies will not impose requirements or conditions that are inconsistent with the Approvals, and will not disapprove the application based on items that are consistent with the Approvals, including but not limited to denying approval of Public Infrastructure Improvements or Community Improvements based upon items that are consistent with the Approvals. Any City Agency denial of an application for an Implementing Approval shall include a statement of the reasons for such denial. Developer will work collaboratively with the City Agencies to ensure that such application for an Implementing Approval is discussed as early in the review process as possible and that Developer and the City Agencies act in concert with respect to these matters.

(i) DPW. Where an application includes any infrastructure, Mitigation Measure, or improvements falling within DPW's jurisdiction, DPW will review each such application, or applicable portions thereof, and use good faith efforts to provide comments to Developer within sixty (60) days of DPW's receipt of such application. Upon submittal of an application that includes any Public Infrastructure Improvements, such as in the case of street improvement permits, DPW shall act as the lead review agency for the City. This role shall include the distribution of all submittals to the affected City Agencies for review, such as the San Francisco Municipal Transportation Agency ("SFMTA"), the San Francisco Public Utilities Commission ("SFPUC"), and the San Francisco Fire Department ("SFFD"). To the extent practicable, DPW shall consolidate the comments of all affected City

Agencies in order to make a single response submission to the Developer. Affected City Agencies shall use good faith efforts to provide comments to DPW within thirty (30) days of that City Agency's receipt of such application in order for DPW to distribute to Developer within the specified (60) sixty days for DPW review.

(ii) SFMTA. Upon submittal of an application that includes any SFMTA Infrastructure or any transportation-related Mitigation Measure within the SFMTA's jurisdiction, the SFMTA will review each such application, or applicable portions thereof, and use good faith efforts to provide comments to Developer or appropriate City Agency within thirty (30) days of the SFMTA's receipt of such application.

(iii) SFPUC. Upon submittal of an application that includes any Stormwater Management Improvements or Public Infrastructure Improvements that fall under the jurisdiction of SFPUC or any public utility-related Mitigation Measure within the SFPUC's jurisdiction, the SFPUC will review each such application, or applicable portions thereof, and use good faith efforts to provide comments to Developer or appropriate City Agency within thirty (30) days of the SFPUC's receipt of such application. The SFPUC shall also review and approve the Master Utility Plans to ensure that all proposed Stormwater Management Improvements or Public Infrastructure Improvements that fall under the jurisdiction of SFPUC, or any public utility-related Mitigation Measure within the SFPUC's jurisdiction shall meet all SFPUC requirements and standards.

(iv) SFFD. Upon submittal of an application that includes any Public Infrastructure Improvements or Community Improvements that fall under the jurisdiction of SFFD or any fire suppression-related Mitigation Measure within the SFFD's jurisdiction, the SFFD will review each such application, or applicable portions thereof, and use good faith efforts to provide comments to Developer or appropriate City Agency within thirty (30) days of the SFFD's receipt of such application.

(v) RPD. Upon submittal of an application that includes a park that will be acquired by RPD, the Developer shall satisfy the obligations for review and approval outlined in Exhibit N, Public Open Space Improvements and Park Dedication Process. For all other open spaces,

RPD will be consulted by the Planning Department during the Design Review process for Community Improvements.

f. Specific Actions by the City. Except as provided under Section 7(e)(i), 7(g), 7(h), or Attachment 1, City actions and proceedings subject to the Agreement shall be processed through the Planning Department, as well as affected City Agencies (and when required by applicable law, the Board of Supervisors), including but not limited to complying with and implementing Mitigation Measures for which the City is responsible, reviewing feasibility studies for Mitigation Measures, or completing any subsequent environmental review at Developer's sole cost.

g. Other Actions by the City under DPW Jurisdiction. The following City actions and proceedings subject to the Agreement shall be processed through DPW, as well as affected City Agencies (and when required by applicable law, the Board of Supervisors):

(i) Street Vacation, Dedication, Acceptance, and Other Street Related Actions. Instituting and completing proceedings for opening, closing, vacating, widening, modifying, or changing the grades of streets, alleys, sidewalks, and other public right-of-ways and for other necessary modifications of the streets, the street layout, and other public right-of-ways in the Project Site, including any requirement to abandon, remove, and relocate public utilities (and, when applicable, city utilities) within the public right-of-ways as specifically identified and approved in an Implementing Approval, and as may be necessary to carry out the Approvals.

(ii) Acquisition. Acquiring land and Public Infrastructure Improvements from Developer or SFHA, as applicable, by accepting SFHA's dedication of land and Developer's dedication of Public Infrastructure Improvements that have been completed in accordance with the Agreement, the Approvals, Implementing Approvals and approved plans and specifications. Any conveyance of real property to the City shall be in the form of a grant deed or quitclaim deed unless the City and any affected City Agency agree in writing to accept some other form of conveyance, including a public easement. Any such public easement shall be consistent with the standard easement that affected City agencies use in similar situations. The Developer shall be responsible to provide all irrevocable offers of dedication, plats, legal descriptions, maps, and other materials that the City

requires to complete the process to accept Public Infrastructure Improvements.

(iii) Release of Security. Releasing security as and when required under the Subdivision Code in accordance with any public improvement agreement.

h. Other Actions by the City under Recreation and Park Jurisdiction or other City Agency.

(i) Any construction and acquisition of park land that will be under the jurisdiction of the Recreation and Park Department shall be approved by the Recreation and Park Department, as well as affected City Agencies (and when required by applicable law, the Board of Supervisors), as set forth in Exhibit N. In regard to acquisition and release of security, Section 7(g)(ii) and 7(g)(iii) above shall apply except that the Recreation and Park Department shall exercise the authority of DPW set forth in those sections.

(ii) Any construction and acquisition of buildings on land or property that will be City owned and under the management and control of any other City Agency shall be processed through that City Agency, as well as any other affected City Agencies (and when required by applicable law, the Board of Supervisors). In regard to acquisition and release of security, Section 7(g)(ii) and 7(g)(iii) above shall apply except that the City Agency subject to this section shall exercise the authority of DPW set forth in those sections.

9. Subdivision Maps.

a. Developer 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 Site, to subdivide or reconfigure the parcels comprising the Project Site as may be necessary or desirable in order to develop a particular Development Phase of the Project or to lease, mortgage or sell all or some portion of the Project Site, consistent with the density, block and parcel sizes set forth in the DSG. The City acknowledges that Developer and/or Assignee intends to create and sell condominiums on the Project Site, and that such intent is reflected in the Approvals and Sunnydale Plan Documents.

b. Nothing in the Agreement shall authorize Developer to subdivide or use any of the Project Site for purposes of sale, lease or financing in any manner that conflicts with the Subdivision Map Act, or with the Subdivision Code.

c. Nothing in the Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps as such changes apply to this Project so long as such changes do not conflict with the provisions of the Agreement or with the Approvals or any Implementing Approvals.

d. Pursuant to Section 65867.5(c) of the Development Agreement Statute, any tentative map prepared for the Project shall comply with the provisions of California Government Code section 66473.7 concerning the availability of a sufficient water supply.



## **Attachment 1**

### **Development Implementation Process Overview**

#### **SUMMARY**

##### **Development Phase Application Review**

- Project shall be built in Development Phases per the scope and phasing outlined in Exhibit J Phasing Plan.
- Prior to the commencement of each Development Phase, the Developer shall submit a Development Phase Application to the Planning Department for review and approval.
  - Phase Applications must include a letter of consent signed by the Director of MOHCD that confirms and endorses the scope included in the application.
  - Approval of a Development Phase Application must be granted prior to the submission of any Implementing Approvals within the phase, such as street improvement plans.
  - Design Review applications may be submitted concurrently with Development Phase Applications, however they may not be approved until the corresponding Development Phase Application is approved, and Planning's time limits for review and approval of the Design Review application shall not begin until Development Phase Approval is granted.
  - Developer is to conduct a community meeting at most 6 months prior to the submission of each Development Phase Application to present the content of the phase and solicit feedback. This meeting can be combined with other agenda items and/or part of an already established community meeting, or be part of the community meeting required at least annually that is described below. Documentation of such meeting shall be consistent with Planning Department standards.
  - Upon receipt of a complete Development Phase Application, Planning will conduct review and determine that the Application is complete within 30 days of receipt. If the Application is not complete, then Planning shall notify the Developer and once a complete Application is received, Planning will take action on the application within (60) days, which may include requesting revisions from the Developer. After comments are responded to and any revisions are found to be satisfactory, Planning will issue the Phase Application approval to Developer.
- Community outreach
  - At least one community meeting must be organized and conducted by the Developer per year throughout Project implementation in order to provide

the community with a general project update and to discuss upcoming phases. This meeting can be combined with other community meetings required through the Agreement or MDA.

- Development Phase Application approval will be granted by the Planning Director. Any substantial changes to the scope of the phase made during the phase application review process shall receive written final approval by the MOHCD Director prior to the Planning Director's issuance of Phase Application approval.

### **Design Review of Vertical Structures and Community Improvements**

- Design Review procedures for vertical structures and Community Improvements are outlined in the Sunnydale SUD and referenced in the Agreement.
- Developer may submit Design Review applications to the Planning Department concurrent with and no earlier than the submittal of a Development Phase Application.
- The Planning Department shall issue approval of all Design Review applications upon conformance with the DSG, the Sunnydale SUD, the approved Development Phase and other applicable project documents.
- Design Review Applications will not be deemed complete, and time limits for review and approval of the Design Review applications will not commence, until the Development Phase Application is approved.
- Design Review is required for all vertical structures and all Community Improvements (that are not Public Infrastructure Improvements and thus reviewed through the Public Improvement process as described below), including privately-maintained open spaces.
- Project Sponsor is encouraged (though not required) to submit Design Review applications for multiple buildings under a single application.

### **Public Infrastructure Improvement Review**

- Upon approval of a Development Phase Application, the Developer may submit Public Infrastructure Improvement plans to the DPW Task Force through established DPW processes for street improvement permit review and in accordance with the City's Subdivision Code and Subdivision Regulations.
- This process is to be managed by the DPW Task Force. The Task Force will receive and review submitted plans prior to dispersing them to appropriate City Agencies for review. Relevant departments may include DPW, SFMTA, SFPUC, SFFD, Planning, and RPD.

- The DPW Task Force will grant approval of each application after receiving approval from appropriate City Agencies.

## DETAILED PROCESS PROCEDURES AND SUBMISSION CONTENT

### Phase Application

- Purpose: to provide a broad overview of the scope of each phase, including the number and type of each element (vertical, horizontal). To ensure that appropriate community benefits and phasing requirements are included as specified in the Agreement and the Phasing Plan.
- City Department responsible for review: PLANNING
- City Department responsible for approval: PLANNING
  - Planning shall review Phase Applications within (30) thirty days to determine completeness. Once a complete application is submitted, Planning has (60) sixty days to review and take action on a Phase Application. Planning may request changes, additional information, or revisions if the content of the application is not in compliance and/or satisfactory.
  - Upon approval, Planning will issue the approved Development Phase Application to the applicant with an attachment containing comments received from other City departments.
  - Planning will issue a copy of the approved Development Phase Application to City departments to notify them of the approval.
  - Planning may attach or include conditions to a Phase Application Approval, such as may be necessary to carry out the requirements of the Agreement, Phasing Plan, the SUD or DSG.
- Role of other City Departments: Phase Applications will be distributed to the implementation departments for their information. No action is required by these departments. City departments may provide informational comments on the content of the Phase Application to Planning within Planning's 60 day review timeline.
  - Relevant departments include: DPW, SFPUC, MTA, SFFD, RPD, OEWD
  - An approved Development Phase Application may not limit the scope or content of related Public Infrastructure Improvements and approval thereof. Public Infrastructure Improvements shall *at least* serve the scope outlined in the Phase Application. Exact details of required Public Infrastructure Improvements in each phase may contain minor modifications from the approved Development Phase Application in order to achieve appropriate roadway access, functional utility systems and connections, and to maintain

service to existing residents, but shall still be governed by the Master Infrastructure Plan.

▪ Content:

- Letter of consent signed by MOHCD Director that confirms and endorses the scope included in the application
- Site plan and other graphics necessary to describe scope and design
- Narrative description of scope
- List of vertical improvements by parcel/block including anticipated numbers and type of dwelling units, retail square footage, commercial square footage, community service square footage, off-street parking, and any other scope elements, including:
  - Number and sizes of affordable housing units identified by type - replacement public housing vs. new tax credit units
  - Number and location of market rate parcel pads to be prepared
  - Status of vertical improvements approved as part of a prior Development Phase Application
- List of community improvements and mitigation measures to be constructed in phase
- Infrastructure improvement details:
  - Plan view drawing showing all infrastructure improvements color-coded to identify Public Infrastructure Improvements, and private and temporary improvements
  - Plan showing existing streets to be vacated and new streets to be dedicated
  - Plan showing location of the phase in relation to the rest of the site; after the first phase, plan must show all previous phases
  - Plans demonstrating new utilities and streets (to be submitted at a level of detail equal to the Master Infrastructure Plan) including:
    - Water (all types), combined sewer, dry utilities, other – add potential locations of intended connections and any spurs, extensions or additional scope outside of phase needed to make connections
    - Site access and circulation, fire truck access, and site access to surrounding area
  - Description and conceptual plans showing how services, utilities, and site access will be preserved for existing residents (to be confirmed during street improvement plan review)
- Narrative or schedule of intended order of construction within the phase, by element

- List of any requested modifications from the Agreement, the Phasing Plan, DSG, or other approval documents
- Community meeting affidavit and proof; neighborhood notification and meeting materials
- Accuracy affidavit (see Appendix 1)
- Approval of Phase Application will be ministerial in nature and based on the application's completeness and its conformance with the Approvals and Sunnydale Plan Documents. Discretion in approving the Phase Application will be limited to those cases where the proposed Phase deviates from the Phasing Plan.

### **Design Review of Vertical Buildings**

- Purpose: to conform buildings to criteria outlined in the Approvals
- City Department responsible for review: PLANNING
- City Department responsible for approval: PLANNING
- Role of other City Departments: N/A
- Review and approval process specified in the Sunnydale SUD
- Project Sponsor is encouraged (though not required) to submit Design Review applications for multiple buildings under a single application.
- Content:
  - Documents and materials necessary to determine consistency with the Approvals and the associated Development Phase Approval, and the applicable requirements of the Agreement
  - Submittals should conform to Planning Department requirements for site permits, and other similar approvals. Submittals include site surveys of existing and proposed conditions, site plans, sections, elevations, renderings, landscape plans, and exterior material samples to illustrate the overall concept design of the proposed buildings, and conformance with any phasing plan
  - If a Major or Minor Modification is sought, the application shall contain a narrative for each modification that describes how the proposed project meets the full intent of the DSG and provides architectural treatment that are equivalent to or superior to strict compliance with the standards

### **Design Review of Community Improvements**

- Purpose: to conform community improvements to criteria outlined in the Approvals. Scope includes open spaces, community centers, and/or anything that is not in the proposed public right-of-way and/or not included in the street improvement plan process

- City Department responsible for review: PLANNING
- City Department responsible for approval: PLANNING
- Role of other City Departments: RPD to review and comment on all open spaces and/or other recreational facilities that will be publicly accessible.
- Review and approval process as specified in the Sunnydale SUD. Planning may attach or include conditions to a Phase Application Approval, such as may be necessary to carry out the requirements and intents of the Approvals.
- Content:
  - Documents and materials necessary to determine consistency with Approvals and the applicable requirements of the Agreement
  - Includes site surveys showing existing and proposed conditions, site plans, sections, elevations, renderings, landscape plans, access plans, terms of access, information on programming, information on maintenance and operation, and samples to illustrate the overall concept design of the proposed improvements, and conformance with any phasing plan
  - Planning will consult with other agencies as appropriate (i.e. DPW, or RPD for open space). If an open space is identified as being dedicated to RPD, then RPD will lead the design review and approval process as outlined in Exhibit N.
  - Utilities and infrastructure for these elements will be reviewed through the standard DBI permitting process.

### **Street Improvement Plans + Permitting Process**

- Purpose: to vet detailed design and engineering plans for Public Infrastructure Improvements with each infrastructure agency, and to obtain street improvement permit approval
- City Department responsible for review and coordination: DPW Task Force
- City Department responsible for approval/permit issuance: DPW Task Force, after agreement by SFPUC, Planning, MTA, SFFD and other relevant departments
- Role of other City Departments: actively participate in reviewing street and utility infrastructure relevant to each department; issue approval/endorsement of final plans
- A Master Utility Plan for the entire site must be submitted in advance or concurrent with the project's first Phase Application and must be approved by the SFPUC prior to the submittal of any street improvement plans
- Any subsequent design changes that are made as a result of infrastructure plan development will be vetted by all departments through the street improvement permit process, especially Planning as related to streetscape and roadway design

changes, prior to DPW's approval of street improvement plans and issuance of permits.

▪ Content:

- Must submit a copy of approved Development Phase Application with submission
- Construction document submission at 30%/60%/90%/100% of completion, including:
  - Streetscape plans reflecting criteria from the DSG (tree species, special paving specs, etc.)
  - Site Access & Circulation plans
  - Site Utility plans - water (all types), combined sewer, dry utilities, Public Stormwater Management Improvements, other – with detailed information about connections, spurs, extensions, or additional scope outside of phase needed to make connections
  - Description and detailed plans showing how services, utilities, and site access will be preserved for existing residents
- Utility and/or street scope may be larger than the scope reflected in the approved Development Phase Application in order to ensure system functionality and to conform to requirements of the DPW infrastructure review process
- Any plan revisions submitted for review as part of the street improvement plan process must contain revision bubbles and a narrative of what was changed since the prior submission

**INFORMATIONAL TABLES – PROCEDURES AND PROCESS**

Submissions	Approval Order
<i>Phase Applications must be submitted prior to submission or approval of any other element</i>	
Phase Application	Submission and approval required prior to submission of any Implementing Approvals; Approval required prior to Design Review Approval
Design Review – Vertical + Community Improvements	May be submitted concurrently with Phase Applications; Phase Application Approval is required before Design Review Approval can be issued
Street Improvement Permits	Phase Application Approval is required prior to submission of street improvement plans or approval of street improvement permits

Building Permits (e.g. site permits and addenda)	Follow standard DBI process. Planning will approve site permit after Design Review Approval. DPW to review building permit applications for consistency with street improvement permits
City Agency response timelines begin as of the City Agency's receipt of a complete application and upon approval of any prerequisite submissions (such as a Development Phase Approval).	
Certificate of Occupancy	Awarded per standard DBI requirements as to access, services, and life safety
Phase Applications after the first Phase Application  <i>Subsequent Phase Applications may be submitted after approval of the prior Phase Application</i>	<i>Subsequent Phase Applications and all other submissions may be approved per process above, even if prior phase is still in design or construction</i>

Submission	Content	Primary Reviewing Department (intake point, owner of process)	Secondary Reviewing Departments (receive submissions from primary department)	Approval Entity	Where is process specified?
PHASE APPLICATION	Broad overview of phase scope, incl. # and type of buildings; streetscape, infrastructure	PLANNING	MTA, DPW, SFPUC, SFFD, RPD, OEWD, MOHCD  DISTRIBUTED FOR INFORMATION ONLY - no action required by depts.	PLANNING	DA Exhibit re: Phase Applications
DESIGN REVIEW – vertical structures	Detailed design of buildings, modifications	PLANNING	n/a	PLANNING	Sunnydale SUD



DESIGN REVIEW – community improvements (that are not SIP improvements)	Detailed design of open spaces, modifications	PLANNING	To be determined by Planning based on application	PLANNING	Sunnydale SUD
DESIGN REVIEW (for parks to be dedicated to RPD)	Collaborative design process with RPD	RPD	Planning, others as necessary	RPD	DA Exhibit N
STREET IMPROVEMENT PERMITS (infrastructure improvements)	Detailed design and engineering of streets and utilities	DPW TASK FORCE	SFPUC, SFFD, MTA, Planning	DPW TASK FORCE (contingent upon agreement by other reviewing agencies)	DA Exhibit re: Phase Applications

## Attachment 2

### Development Phase Application Checklist

The Developer will be required to submit a Development Phase Application for each phase of development, as described in Section 4(c) of this Exhibit. This checklist itemizes the minimum required components of each such Development Phase Application and should also include any other information the Planning Department deems necessary to review and approve the applications.

1. Letter of consent signed by MOHCD Director that confirms and endorses the scope included in the application
2. Site plan and other graphics necessary to describe scope and design
3. Narrative description of project scope

#### PROJECT DESCRIPTION

**Project Type:** e.g. New Construction

**Present or Previous Use(s):** e.g. PDR/Industrial

**Proposed Use(s):** e.g. Residential, Commercial, Retail, Open Space

**Narrative:** The narrative portion of each Phase Application shall, at a minimum, include the following:

“This application pertains to Phase [insert phase number] of the Sunnydale Project (the “Project”). This application is submitted in accordance with the Project’s Development Agreement, which requires the project sponsor to submit a Phase Application for approval by the Planning Department and affected City Agencies prior to the submittal of building permits for such phase of the Project. Initially capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Development Agreement. The narrative should indicate whether or not the given phase is in conformance with the originally proposed Phasing Plan. Where it deviates, it should explicitly highlight how the delivery of public improvements has been changed.

Phase [insert phase number] is comprised of parcel numbers [insert parcel numbers]. The parcels subject to Phase [insert phase number] are shown on the attached site plan

diagram and further described by block number and area on page [insert page number] of this application. Phase [insert phase number] consists primarily of [insert brief description, e.g. residential and retail development]. In addition, as described in more detail below, Phase [insert phase number] will include a number of Community Improvements and CEQA Mitigation Measures, as required by the approved Sunnydale Project Phasing Plan. Following is a description of the elements of Phase [insert phase number].”

4. List of vertical improvements including numbers and type of dwelling units, retail square footage, commercial square footage, community service square footage, and any other scope elements, including:

4.1. Number and sizes of affordable housing units identified by type - replacement public housing vs. new tax credit units

4.2. Number and details of market rate parcel pads to be prepared

**Sample Summary Table**

Parcel	Assessor's Block Number	Blocks in the DSG	Height/Bulk District	Proposed Heights	Proposed Use	Proposed Amount of Development	Type of Affordable Housing	Proposed Parking & Parking Ratio
		(1, 2, 3, etc.)			(Affordable Housing, Market Rate Parcel, Commercial, Retail, Community, Other)	(Total # Housing Units, Square Footage of Retail, Commercial, Community, Other)	(# Public Housing Replacement Units, # New Tax Credit Units)	(Residential and/or Commercial)
1								
2								
3								
4								

5. List or table of vertical improvements for entire project (if not Phase 1) that provides an ongoing tab of development that is complete, under construction, approved (through design review) and not yet approved

6. List of community improvements and mitigation measures to be constructed in phase

6.1. Identify any open spaces that shall be dedicated to RPD per the terms outlined in Exhibit N, Public Open Space Improvements and Park Dedication Process

6.2. Identify any amendments to the regulations for open space outlined in Exhibit G, Regulations Regarding Public Access of Privately Owned Community Improvements

**Sample Summary Table**

Parcel	Assessor's Block Number	Blocks in the DSG	Height/Bulk District	Proposed Heights	Proposed Community Improvement	Proposed Amount of Development	Other Details	Proposed Parking & Parking Ratio
		(1, 2, 3, etc.)		(If applicable)	(Open Space, Community Center, Social Services, Other)	(Square Footage of Improvement)	(Description of Use, Landscape and Program Details)	(Residential and/or Commercial)
1								
2								
3								
4								

7. Infrastructure improvement details:

7.1. Plan of all infrastructure improvements color-coded to identify Public Infrastructure Improvements, and private and temporary improvements

7.2. Plan showing existing streets to be vacated and new streets to be dedicated

7.3. Plan showing location of the phase in relation to the rest of the site; after the first phase, plan must show all previous phases

7.4. Plans demonstrating new utilities and streets (to be submitted at a level of detail equal to the Master Infrastructure Plan) including:

7.4.1. Water (all types), combined sewer, dry utilities, Public Stormwater Management Improvements, other – add potential locations of planned connections and any spurs, extensions or additional scope outside of phase needed to make connections

7.4.2. Site access and circulation, fire truck access, and site access to surrounding area

7.4.3. Description and plans showing how services, utilities, and site access will be preserved for existing residents

7.4.4. A streetscape master plan reflecting criteria from the DSG (tree species, special paving specs, etc.)

8. Narrative or schedule of intended order of construction within the phase, by element

9. List of any requested modifications from the Agreement or the Approvals (which will be subject to the approval procedures for Major and Minor Modifications).

10. Affidavit and proof of pre-application community meeting; neighborhood notification and meeting materials.

11. Affidavit confirming that submission is accurate and that additional submissions may be required. (Refer to Appendix I.)

**Appendix I to Phase Application for Phase (State Phase #)**

**DEVELOPER'S AFFIDAVIT**

**STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO**

Under penalty of perjury the following declarations are made:

- (a) The undersigned is an authorized signer for the Developer of the Project.
- (b) The information presented is true and correct to the best of my knowledge.
- (c) I understand that other information or applications may be required.

DEVELOPER: (Applicant): \_\_\_\_\_

Title Block

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

**EXHIBIT L**  
**MITIGATION MEASURES AND MMRP**

**[see attached]**

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor:</b>				
<b>Cultural and Paleontological Resources</b>				
<i>Mitigation Measure M-CP-2 Archeological Testing Program</i>				
<p>An Archeological Testing Program shall be developed to ascertain whether archeological material may be preserved underneath recent fill within the project CEQA Area of Potential Effect (C-APE). This effort shall entail geoarcheological coring of the eastern-most portion of the project C-APE—in project blocks 1 through 8 east of Santos Street—and shall take place after detailed project design plans have been developed that show the full extent and depth of project construction activity. Additional pre-field investigations into the cut and fill history of the project C-APE should also be undertaken. With these additional data sets, the precise placement and depth of cores can be determined in order to ensure testing coverage is sufficient to identify any unknown archeological material that would be impacted by construction activities.</p> <p>Based on a reasonable presumption that archeological resources may be present within the project area, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried archeological resources. The project sponsor shall retain the services of an archeological consultant qualified in geoarcheology from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archaeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p> <p>Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Prior to any soil-disturbing activities on the project site. Monitoring as required until soil-disturbing activities end.</p>	<p>Project sponsor to retain a qualified archeological consultant who shall report to the ERO.</p>	<p>Archeological consultant shall be retained prior to any soil-disturbing activities.</p> <p>Date archeological consultant retained:</p> <hr/> <p>Date of initial soil disturbing activities:</p> <hr/>

1678



SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<del>Mitigation Measures Agreed to by Project Sponsor (cont.)</del>				
Cultural and Paleontological Resources (cont.)				
<i>Mitigation Measure M-CP-2: Archeological Testing Program (cont.)</i>				
<p>Consultation with Descendant Communities. On discovery of an archeological site<sup>1</sup> an appropriate representative<sup>2</sup> of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.</p>	<p>Project sponsor/ archeological consultant, and representative of descendant group, at the direction of the ERO.</p>	<p>Initiated upon discovered of an archeological site associated with descendant groups.  Complete upon completion of archeological field investigations and ERO consultation.</p>	<p>Project sponsor to retain a qualified archeological consultant who shall report to the ERO.</p>	<p>Date archeological site discovered: _____</p> <p>Date field investigations monitored: _____</p> <p>Date ERO consulted: _____</p> <p>Date final report sent to descendant group representative: _____</p>
<p>Archeological Testing Plan. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program shall be to determine to the extent possible the presence or absence of archeological resources and to identify and evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p>	<p>Project sponsor/ archeological consultant, at the direction of the ERO.</p>	<p>Prior to any soil-disturbing activities on the project site.</p>	<p>Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by ERO prior to any soil-disturbing activities on the project site.</p>	<p>Date ATP submitted to the ERO: _____</p> <p>Date ATP approved by the ERO: _____</p> <p>Date of initial soil disturbing activities: _____</p>

<sup>1</sup> The term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of burial.

<sup>2</sup> An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission.

1679

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
Cultural and Paleontological Resources (cont.)				
<i>Mitigation Measure M-CP-2: Archeological Testing Program (cont.)</i>				
<p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted.</p> <p>Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the archeological testing program, and before soil disturbing activities begin.	Archeological consultant shall submit a report of findings of the ATP to the ERO.	<p>Date archeological findings report submitted to the ERO: _____</p> <p>ERO determination of significant archeological resource present? Y N</p> <p>Would resource be adversely affected? Y N</p> <p>Additional measures to be undertaken by project sponsor? Y N</p>
<p>Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> <li>The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the archeological monitoring program (AMP) reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archeological resources and to their depositional context;</li> </ul>	Project sponsor/ archeological consultant/ monitor/ contractor(s), at the direction of the ERO.	ERO and archeological consultant shall meet prior to commencement of soil-disturbing activities. If the ERO determines that an AMP is necessary, monitor throughout all soil-disturbing activities at the project site.	Project sponsor/ archeological consultant/monitor/ contractor(s) shall implement the AMP, if required by the ERO.	<p>AMP required? Y N</p> <p>Date: _____</p> <p>Date AMP submitted to the ERO: _____</p> <p>Date AMP approved by the ERO: _____</p>

1680

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Cultural and Paleontological Resources (cont.)</b>				
<i>Mitigation Measure M-CP-2: Archeological Testing Program (cont.)</i>				
<ul style="list-style-type: none"> <li>The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;</li> <li>The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;</li> <li>The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;</li> <li>If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.) the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.</li> </ul> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>				<p>Date AMP implementation complete:</p> <hr/> <p>Date written report regarding findings of the AMP received:</p> <hr/>

1681

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Mitigation Measures Agreed to by Project Sponsor (cont.)				
Cultural and Paleontological Resources (cont.)				
<i>Mitigation Measure M-CP-2: Archeological Testing Program (cont.)</i>				
<p>Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP shall identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <li>• <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations.</li> <li>• <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures.</li> <li>• <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies.</li> <li>• <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.</li> <li>• <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.</li> <li>• <i>Final Report.</i> Description of proposed report format and distribution of results.</li> <li>• <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.</li> </ul>	<p>Archeological consultant at the direction of the ERO.</p>	<p>If there is a determination that an ADRP program is required, prior to additional soil-disturbing construction activities.</p>	<p>Project sponsor/ archeological consultant/monitor/ contractor(s) shall prepare an ADRP if required by the ERO.</p>	<p>ADRP required? Y N</p> <p>Date: _____</p> <p>Date of scoping meeting for ADRP: _____</p> <p>Date Draft ADRP submitted to the ERO: _____</p> <p>Date ADRP approved by the ERO: _____</p> <p>Date ADRP implementation complete: _____</p>

1682

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<i>Mitigation Measures Agreed to by Project Sponsor (cont.)</i>				
Cultural and Paleontological Resources (cont.)				
<i>Mitigation Measure M-CP-2: Archeological Testing Program (cont.)</i>				
<p>Final Archeological Resources Report: The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>Archeological consultant at the direction of the ERO.</p>	<p>After completion of archeological data recovery, inventory, and analysis.</p>	<p>Project sponsor/ archeological consultant/monitor/ contractor(s) shall prepare an FARR to the ERO.</p>	<p>Date Draft FARR submitted to ERO: _____</p> <p>Date FARR approved by ERO: _____</p> <p>Date of distribution of Final FARR: _____</p> <p>Date of submittal of Final FARR to information center: _____</p>
<i>Mitigation Measure M-CP-3a: Paleontological Resources Mitigation Program</i>				
<p>Prior to ground disturbance, the project sponsor shall retain a qualified paleontologist (is a practicing scientist who is recognized in the paleontologic community and is proficient in vertebrate paleontology) or a California Professional Geologist with appropriate paleontological expertise to carry out all mitigation measures related to paleontological resources. The qualified paleontologist or geologist shall be available "on-call" to project sponsor throughout the duration of ground-disturbing activities.</p>	<p>Paleontologist (or geologist) at the direction of the project sponsor and ERO.</p>	<p>Prior to ground-disturbing activities / during ground-disturbing activities.</p>	<p>Project sponsor/ paleontologist under direction of the ERO.</p>	<p>Date paleontologist retained: _____</p> <p>Date of start of ground-disturbing activities: _____</p>

1683

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Cultural and Paleontological Resources (cont.)</b>				
<i>Mitigation Measure M-CP-3b: Paleontological resources training</i>				
All construction for persons and field supervisors conducting or overseeing subsurface excavations shall be trained by a qualified paleontologist in the recognition of potential fossil materials prior to ground disturbing activities. A one hour pre-construction training on paleontological resources shall also be provided to all other construction workers, but may include videotape of the initial training and/or the use of written materials rather than in person training by the qualified paleontologist. In addition to fossil recognition, the training shall convey procedures to follow in the event of a potential fossil discovery.	Paleontologist (or geologist) at the direction of the project sponsor and ERO.	Prior to ground-disturbing activities / during ground-disturbing activities.	Project sponsor/ paleontologist under direction of the ERO.	Date of training: _____ Date of start of ground-disturbing activities: _____
<i>Mitigation Measure M-CP-3c: Assessment and salvage of potential fossil finds</i>				
If potential fossils are discovered during construction, all earthwork or other types of ground disturbance in the immediate vicinity of the find shall stop until the qualified paleontologist can assess the nature and importance of the find. Based on the scientific value or uniqueness of the find, the paleontologist may record the find and allow work to continue, or recommend salvage and recovery of the fossil. If salvage is required, recommendations shall be consistent with current professional standards outlined in the Society of Vertebrate Paleontology, Assessment and Mitigation of Adverse Impacts to Nonrenewable Paleontologic Resources: Standard Guidelines. If required, treatment for fossil remains may include preparation and recovery of fossil materials so that they can be housed in an appropriate museum or university collection.	Paleontologist (or geologist) at the direction of the project sponsor and ERO.	If potential fossils are discovered during construction.	Project sponsor/ paleontologist under direction of the ERO.	Fossils discovered? Y N Date find assessed: _____ Date of salvage/recovery (if recommended): _____
<i>Mitigation Measure M-CP-3d: Monitoring by a qualified paleontologist during ground disturbing activities</i>				
If fossils are discovered during construction, a qualified paleontologist shall determine whether monitoring shall be required during remaining ground disturbing activities. If required, a qualified paleontologist, a California Professional Geologist with appropriate paleontological expertise, or paleontological monitor working under the supervision of a qualified paleontologist shall monitor ground-disturbing activities. This monitoring shall consist of periodically inspecting disturbed, graded, and excavated surfaces, as well as soil stockpiles and disposal sites. The frequency of monitoring would be determined by the qualified paleontologist. If the monitor encounters a paleontological resource, he or she shall assess the fossil, and record or salvage it as described in M-CP-3c.	Paleontologist (or geologist) at the direction of the project sponsor and ERO.	If potential fossils are discovered during construction/ during ground-disturbing activities. Continues as required until ground-disturbing activities end.	Project sponsor/ paleontologist under direction of the ERO.	Fossils discovered? Y N Dates monitoring recommended: _____

1684

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Cultural and Paleontological Resources (cont.)</b>				
<i>Mitigation Measure M-CP-4: Inadvertent Discovery of Human Remains</i>				
<p>The following measures shall be implemented in the event of the discovery, or anticipated discovery, of human remains and associated burial-related cultural materials:</p> <p>The treatment of human remains and of associated or unassociated funerary objects discovered during any soil-disturbing activities shall comply with applicable state laws. This shall include immediate notification of the coroner of the county within which the project is located and, in the event of the coroner's determination that the human remains are Native American, notification of the California Native American Heritage Commission, which shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98). The archeological consultant, the project sponsor, ERO and MLD shall make all reasonable efforts to develop an agreement for the treatment, with appropriate dignity, of human remains and associated or unassociated funerary objects (CEQA Guidelines Section 15064.5[d]). The agreement shall take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. The PRC allows 48 hours to reach agreement on these matters. If the MLD and the other parties do not agree on the reburial method, the project sponsor shall follow Section 5097.98(b) of the PRC, which states that "the landowner or his or her authorized representative shall reinter the human remains and items associated with Native American burials with appropriate dignity on the property in a location not subject to further subsurface disturbance."</p>	<p>Project sponsor/ archeological consultant in consultation with the San Francisco Coroner, NAHC, and MLD.</p>	<p>In the event human remains and/or funerary objects are found.</p>	<p>Project sponsor/ archeological consultant to monitor (through-out all soil disturbing activities) for human remains and associated/ unassociated funerary objects and, if found, contact the San Francisco Coroner, NAHC/MLD.</p>	<p>Human remains and associated/unassociated funerary objects found? Y N</p> <p>Date: _____</p> <p>Persons contacted: Name: _____</p> <p>Date: _____</p> <p>Name: _____</p> <p>Date: _____</p>
<b>Transportation and Circulation</b>				
<i>Mitigation Measure M-TR-6: Prepare Construction Traffic Control Plan</i>				
<p>The project sponsor shall implement the following measure:</p> <p>To reduce potential delays and conflicts between construction activities and various modes of transportation, the project sponsor and its construction contractor(s) shall prepare a traffic control plan(s) for project construction. The project sponsor and construction contractor(s) shall meet with residents, neighbors, DPW, SFMTA, the Fire Department, SFUSD, Muni Operations, and other City agencies to coordinate feasible measures to reduce transportation conflicts and delays, including temporary transit</p>	<p>Project sponsor / contractor(s)</p>	<p>Prior to each phase of project construction, and implementation during construction.</p>	<p>ERO of the Planning Department, in consultation with SFMTA as necessary</p>	<p>Date Draft plan submitted to ERO: _____</p> <p>Date plan approved by ERO: _____</p>

1685

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
Transportation and Circulation (cont.)				
<i>Mitigation Measure M-TR-6: Prepare Construction Traffic Control Plan (cont.)</i>				
<p>stop relocations, transit service re-routing, adequate emergency access route(s), and other measures to reduce traffic and transit disruption, pedestrian and bicycle circulation effects, and interference with emergency access during construction of the proposed project. The contractor would be required to comply with the City and County of San Francisco's Regulations for Working in San Francisco Streets, which establish rules and permit requirements so that construction activities can be done safely while minimizing interference with pedestrians, bicyclists, transit, and vehicular traffic.</p> <p>The coordinated plan shall include measures that address street closures, and ensure safe access to the McLaren Early Education School and all occupied residences. It shall also include, but may not be limited to, the following elements:</p> <ul style="list-style-type: none"> <li>• Advisory signs shall be erected several weeks in advance to inform the public of planned street closures in the area. During each construction phase, street closure signs and detour routes shall be posted to direct vehicles to use alternative routes to access the project site.</li> <li>• Emergency vehicle access shall be maintained to the school and all other occupied units and buildings at all times using the temporary streets, detour routes, and/or flagpersons.</li> <li>• Construction staging and worker parking shall occur within the 48-acre Sunnydale-Velasco project site.</li> <li>• The construction contractor shall coordinate with school administrators to ensure safe access to and from the school for students, teachers, and parents at all times. The contractors <del>should</del> shall inquire as to the school start and dismissal times and schedule construction vehicle trips outside of the peak school drop-off and pick up hours to the extent feasible. If avoiding these hours is infeasible, the construction contractor shall provide additional flaggers and crossing guards during school drop-off and pick-up hours near school.</li> <li>• <u>Establish truck traffic routes away from schools, daycares, and residences, or at a location with the least impact if those areas are unavoidable.</u></li> </ul>				<p>Meeting date(s) with agencies:</p>

1686



SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
Transportation and Circulation (cont.)				
<i>Mitigation Measure M-TR-6: Prepare Construction Traffic Control Plan (cont.)</i>				
<ul style="list-style-type: none"> <li>To the extent applicable, the traffic control plan shall conform to Caltrans's Manual of Traffic Controls for Construction and Maintenance Work Zones.</li> </ul>				
<i>Mitigation Measure M-CC-TR-1(a)</i>				
<p>Upon completion of the proposed project, the SFMTA shall regularly monitor vehicular congestion. If LOS at Sunnydale Avenue and Schwerin Street degrades substantially to LOS E, and if consistent with the City's goals for a multi-modal transportation network, then the project sponsor shall work with the SFMTA to add a left-turn pocket at the intersection of Sunnydale Avenue and Schwerin Street on the westbound approach. The project sponsor, or its successor(s), shall make a fair share contribution of funding for the improvement.</p>	Project sponsor	If SFMTA finds that LOS at Sunnydale Avenue and Schwerin Street degrades to LOS E, and if consistent with the City's goals for a multi-modal transportation network	SFMTA, in consultation with ERO as necessary	<p>LOS determined substantially degraded: Date: _____</p> <p>Fair share contribution made: Date: _____</p>
<i>Mitigation Measure M-CC-TR-1(b)</i>				
<p>Upon completion of the proposed project, the SFMTA shall regularly monitor vehicular congestion. If the project adds more than 5 percent of the southbound left-turn volume at Geneva Avenue and Santos Street, and if consistent with the City's goals for a multi-modal transportation network, then the project sponsor shall work with the SFMTA to add a left-turn pocket at the intersection of Geneva Avenue and Santos Street on the southbound approach. The project sponsor, or its successor(s), shall make a fair share contribution of funding for the improvement.</p>	Project sponsor	If SFMTA finds that project adds more than 5 percent of southbound left-turn volume at Geneva Avenue and Santos Street, and if consistent with the City's goals for a multi-modal transportation network	SFMTA, in consultation with ERO as necessary	<p>5 percent addition to southbound volume determined: Date: _____</p> <p>Fair share contribution made: Date: _____</p>
<i>Mitigation Measure M-CC-TR-1(c)</i>				
<p>Upon completion of the proposed project, the SFMTA shall regularly monitor vehicular congestion. If the project adds more than 5 percent of the westbound through movement volume at Geneva Avenue and Schwerin Street, and if consistent with the City's goals for a multi-modal transportation network, then the project sponsor shall work with the SFMTA to add a right-turn pocket at the intersection of Geneva Avenue and Schwerin Street on the westbound and southbound approaches. The project sponsor, or its successor(s), shall make a fair share contribution of funding for the improvement.</p>	Project sponsor	If SFMTA finds that project adds more than 5 percent of the westbound through movement volume at Geneva Avenue and Schwerin Street, and if consistent with the City's goals for a multi-modal transportation network	SFMTA, in consultation with ERO as necessary	<p>5 percent addition to westbound volume determined: Date: _____</p> <p>Fair share contribution made: Date: _____</p>

1687

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Noise</b>				
<i>Mitigation Measure M-NO-1a: Construction Specifications to Reduce Noise Levels During Construction</i>				
<p>The project sponsor shall incorporate the following practices into the construction specifications documents to be implemented by the project contractor:</p> <ul style="list-style-type: none"> <li>• Provide enclosures and mufflers for stationary equipment, shrouding or shielding for impact tools, and barriers around particularly noisy operations, such as grading or use of concrete saws within 50 feet of an occupied sensitive land use.</li> <li>• Use construction equipment with lower (less than 70 dB) noise emission ratings whenever possible, particularly air compressors and generators.</li> <li>• Do not use equipment on which sound-control devices provided by the manufacturer have been altered to reduce noise control.</li> <li>• Locate stationary equipment, material stockpiles, and vehicle staging areas as far as practicable from these sensitive receptors.</li> <li>• Prohibit unnecessary idling of internal combustion engines.</li> <li>• Require applicable construction-related vehicles and equipment to use designated truck routes to access the project site. Construction traffic should be routed along Geneva Avenue, Brookdale Avenue and Santos Street and should be managed to avoid peak periods.</li> <li>• Implement noise attenuation measures to the extent feasible (i.e., such that they do not impede efficient operation of equipment or dramatically slow production rates), which may include, but are not limited to, noise barriers or noise blankets. The placement of such attenuation measures shall be reviewed and approved by the Director of Public Works prior to issuance of development permit for construction.</li> <li>• Designate a Noise Disturbance Coordinator who shall be responsible for responding to complaints about noise during construction. The telephone number of the Noise Disturbance Coordinator shall be conspicuously posted at the construction site and shall be provided to the City. Copies of the construction schedule shall also be posted at nearby noise-sensitive areas.</li> </ul>	Project sponsor / contractor(s)	Specifications included in construction specification documents; implemented during construction	ERO, in consultation with Director of Public Works	<p>Date of final construction specification documents with incorporated specifications:</p> <hr/> <p>Date of approval of attenuation measures by Director of Public Works:</p> <hr/>

1688

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Mitigation Measures Agreed to by Project Sponsor (cont.)				
Noise				
<i>Mitigation Measure M-NO-1b: Noise Reduction Building Strategies</i>				
<p>For new residential development located along Sunnydale Avenue and Santos Street, the Planning Department and Department of Building Inspection shall require the sponsor to use building materials sufficient to maintain an interior noise level of 45 dBA DNL. The determination of the final specifications shall be completed by a person(s) qualified in acoustical analysis and shall demonstrate with reasonable certainty that the applicable interior noise level can be met. There are a number of measures that could be implemented to achieve this standard. Some examples include:</p> <ul style="list-style-type: none"> <li>▪ Installation of forced-air ventilation and sound rated construction materials.</li> <li>▪ Installation of noise insulation features such as stucco-sided walls with resilient furring elements and sound-rate windows and doors.</li> </ul>	Project sponsor / contractor(s)	Included in final specifications prior to construction	ERO, in consultation with the Department of Building Inspection	Final specifications completed: Date: _____
<i>Mitigation Measure M-NO-1c: Noise Minimization for Residential Open Space</i>				
<p>To minimize effects on residential development at the project site, the Planning Department, through its building permit review process and in conjunction with the noise analysis set forth in Mitigation Measure M-NO-1b, shall require that open space required under the <i>Planning Code</i> for residential uses be protected, to the maximum feasible extent, from existing ambient noise levels sufficient to maintain an exterior noise level of 70 dBA DNL for outdoor open spaces. The determination of the final specifications shall be completed by a person(s) qualified in acoustical analysis and shall demonstrate with reasonable certainty that the applicable interior noise level can be met. Implementation of this measure could involve, among other things, site design that uses the building itself to shield on-site open space from the greatest noise sources, construction of noise barriers between noise sources and open space, and appropriate use of both common and private open space in multi-family dwellings, and implementation would also be undertaken consistent with other principles of urban design.</p>	Project sponsor / contractor(s)	Included in final specifications prior to construction	ERO, through Planning Department's permit review process	Final specifications completed: Date: _____

1689

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Mitigation Measures Agreed to by Project Sponsor (cont.)				
Air Quality				
<i>Mitigation Measure M-AQ-1: Construction Emissions Minimization</i>				
<p>A. Construction Emissions Minimization Plan (EMP). Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements below. <u>The project sponsor or construction contractor shall assign a construction manager to ensure compliance with the requirements:</u></p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:               <ol style="list-style-type: none"> <li>a) Where access to alternative sources of power are available, portable diesel engines shall be prohibited;</li> <li>b) All off-road equipment shall have:                   <ol style="list-style-type: none"> <li>i. Engines that meet or exceed either U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 3 off-road emission standards, and</li> <li>ii. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).</li> </ol> </li> <li>c) Exceptions:                   <ol style="list-style-type: none"> <li>i. Exceptions to A(1)(a) may be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.</li> <li>ii. Exceptions to A(1)(b)(i) may be granted if the project sponsor has submitted information providing evidence to</li> </ol> </li> </ol> </li> </ol>	Project sponsor/contractor(s)	Prior to issuance of a permit specified in Section 106A.3.2.6 of the Francisco Building Code. Implementation throughout construction activities.	Project sponsor/contractor(s) to submit EMP; ERO to approve EMP and ensure implementation.	<p>Considered complete on finding by ERO that Plan is complete.</p> <p>Date EMP approved by the ERO:</p> <hr/>

<sup>3</sup> Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement, therefore a VDECS would not be required.

1690

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule												
Mitigation Measures Agreed to by Project Sponsor (cont.)																
Air Quality (cont.)																
Mitigation Measure M-AQ-1: Construction Emissions Minimization (cont.)																
<p>the satisfaction of the ERO that a particular piece of off-road equipment with an ARB Level 3 VDECS is: (1) technically not feasible, (2) would not produce desired emissions reductions due to expected operating modes, (3) installing the control device would create a safety hazard or impaired visibility for the operator, or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that the requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).</p> <p>iii. If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules in Table 1.</p> <p><b>TABLE 1: OFF-ROAD EQUIPMENT COMPLIANCE STEP-DOWN SCHEDULE</b></p> <table border="1" data-bbox="321 824 877 963"> <thead> <tr> <th>Compliance Alternative</th> <th>Engine Emission Standard</th> <th>Emissions Control</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tier 3</td> <td>ARB Level 2 VDECS</td> </tr> <tr> <td>2</td> <td>Tier 3</td> <td>ARB Level 1 VDECS</td> </tr> <tr> <td>3</td> <td>Tier 3</td> <td>Alternative Fuel*</td> </tr> </tbody> </table> <p>How to use the table: If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.</p> <p>* Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 3	ARB Level 2 VDECS	2	Tier 3	ARB Level 1 VDECS	3	Tier 3	Alternative Fuel*				
Compliance Alternative	Engine Emission Standard	Emissions Control														
1	Tier 3	ARB Level 2 VDECS														
2	Tier 3	ARB Level 1 VDECS														
3	Tier 3	Alternative Fuel*														

1691

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Air Quality (cont.)</b>				
<i>Mitigation Measure M-AQ-1: Construction Emissions Minimization (cont.)</i>				
<p>2. The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than two minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the two minute idling limit.</p> <p>3. The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications. <u>The project sponsor shall require that construction operators locate staging areas and stationary construction equipment, such as generators, as far as possible from sensitive receptors and building HVAC intakes.</u></p> <p>4. The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.</p> <p>5. The Plan shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of Plan to members of the public as requested.</p>				

1692

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Air Quality (cont.)</b>				
<i>Mitigation Measure M-AQ-1: Construction Emissions Minimization (cont.)</i>				
<p>B. <i>Reporting.</i> Quarterly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>	Project sponsor/ contractor(s)	Quarterly during construction.	ERO to receive reports.	Considered complete on findings by ERO that Plan is being/ has been implemented.  Date plan deemed implemented by ERO: _____
<p>Within six months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>	Project sponsor/ contractor(s)	Within six months of completion of construction activities.	ERO to receive reports.	Date report submitted to ERO: _____
<p>C. <i>Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p>	Project sponsor/ contractor(s)	Prior to construction activities requiring the use of off-road equipment	ERO to receive certification statement.	Considered complete on submittal of certification statement.  Date certification statement submitted to ERO: _____
<b>Biological Resources</b>				
<i>Mitigation Measure M-BI-1a: Protection of Special Status Bat Species</i>				
<p>The project sponsor shall implement the following measures:</p> <ul style="list-style-type: none"> <li>• Prior to construction or demolition activities within 250 feet of trees/structures with at least a moderate potential to support special-status bats, a qualified biologist (i.e., a biologist holding a CDFW collection permit and a Memorandum of Understanding with CDFW allowing the biologist to handle and collect bats) shall survey for bats. If no evidence of bats (i.e., visual or acoustic detection, guano, staining, strong odors) is present, no further mitigation is required.</li> </ul>	Project sponsor/ contractor(s)	Prior to or demolition activities within 250 feet of trees/structures with at least a moderate potential to support special-status bats	ERO to receive copy of completed survey.	Survey completed: Date: _____

1693

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Biological Resources (cont.)</b>				
<b>Mitigation Measure M-BI-1a: Protection of Special Status Bat Species (cont.)</b>				
<ul style="list-style-type: none"> <li>If special-status bats raising pups (also called a maternity colony) are identified within 250 feet of the project area during preconstruction surveys or project construction (typically, maternity colonies are active April 15th through August 15th), the project sponsor shall create a no-disturbance buffer acceptable in size to CDFW around the bat roosts. Bat roosts initiated within 250 feet of the project area after construction has already begun are presumed to be unaffected by project-related disturbance, and no buffer would be necessary. However, the "take" of individuals (e.g., direct mortality of individuals, or destruction of roosts while bats are present) is prohibited.</li> <li>Trees or buildings with evidence of special-status bat activity shall be removed during the time that is least likely to affect bats as determined by a qualified bat biologist (in general, roosts should not be removed if maternity bat roosts are present, typically April 15th through August 15th, and roosts should not be removed if present bats are in torpor, typically when temperatures are less than 40 degrees Fahrenheit). Non-maternity bat roosts shall be removed by a qualified biologist, by either making the roost unsuitable for bats by opening the roost area to allow airflow through the cavity, or excluding the bats using one-way doors, funnels, or flaps.</li> </ul>	Project sponsor/ contractor(s)	If identified during preconstruction surveys or construction, then <ul style="list-style-type: none"> <li>no-disturbance buffer in place April 15th through August 15th</li> <li>tree/building removal during April 15th through August 15th</li> </ul>	Project sponsor/ contractor(s), under supervision of ERO	Considered complete upon removal / protection of all trees / structures with at least a moderate potential to support special-status bats
<ul style="list-style-type: none"> <li>All special-status bat roosts that are destroyed shall be replaced at a 1:1 ratio with a roost suitable for the displaced species. The type of created roosting habitat would be reflective of the habitat preference of the displaced species and would be determined by the bat biologist. An example would be bat boxes for colonial roosters. The roost shall be modified as necessary to provide a suitable roosting environment for the target bat species.</li> </ul>	Project sponsor/ contractor(s)	Prior to project occupancy	Project sponsor/ contractor(s), under supervision of ERO	Considered complete upon installation of replacement roosts: Date: _____
<b>Mitigation Measure M-BI-1b: Protection of Nesting Birds</b>				
The project sponsor shall implement the following: <ul style="list-style-type: none"> <li>Preconstruction bird surveys shall be conducted by a qualified biologist during the breeding season (breeding season is defined as February 1st through August 15th) if tree removal or building demolition is scheduled to take place during the breeding season.</li> </ul>	Project sponsor/ contractor(s)	During the breeding season if tree removal or building demolition is scheduled to take place	ERO to receive copy of completed survey	Survey completed: Date: _____

1694



SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Biological Resources (cont.)</b>				
<i>Mitigation Measure M-BI-1b: Protection of Nesting Birds (cont.)</i>				
<ul style="list-style-type: none"> <li>For raptors, a preconstruction survey for nests and nesting birds shall be conducted within 2 weeks prior to initiation of construction activities if work shall occur during the breeding season. A qualified biologist shall survey all potential nesting sites in the construction limits and within 300 feet and in line of sight of the construction limits. If active nests are located, work shall not occur within 300 feet of the nest until an appropriate buffer zone has been established in coordination with the appropriate agencies (i.e., USFWS and/or CDFW).</li> <li>For other nesting birds protected by the Migratory Bird Treaty Act, a preconstruction survey for active nests shall be conducted by a qualified biologist no more than 2 weeks before construction if work shall occur during the breeding season. The survey shall be conducted within 100 feet of the work areas. If construction would affect the nest, then work shall not occur within 100 feet of the nest until a qualified biologist, in coordination with the appropriate agencies, has established an appropriate buffer zone.</li> <li>Special-status birds that establish nests during the construction period are considered habituated to such activity and no buffer shall be required, except as needed to avoid direct destruction of the nest, which would still be prohibited.</li> </ul> <p>Outside of the breeding season (August 16th through January 31st), or after young birds have fledged, as determined by the biologist, work activities may proceed.</p>	Project sponsor/ contractor(s)	Survey within 2 weeks prior to initiation of construction activities. Buffer zones established prior to construction activities.	ERO to receive copy of completed survey	Survey completed: Date: _____ Buffer zones established: Date: _____
<b>Hazards/Hazardous Materials</b>				
<i>Mitigation Measure M-HZ-1: Hazardous Building Materials</i>				
The project sponsor shall ensure that PCB-containing equipment, such as fluorescent light ballasts and other potentially hazardous building materials, are removed and properly disposed of prior to the start of demolition. Old light ballasts that would be removed during demolition would be evaluated for the presence of PCBs. In the case where the presence of PCBs in the light ballast could not be verified, then they would be assumed to contain PCBs and handled and disposed of as such, according to applicable laws and regulations. Any other hazardous materials identified either before or during demolition would be abated according to federal, state, and local laws and regulation.	Project sponsor/ contractor(s)	Prior to start of demolition. Implementation during demolition activities.	Project sponsor/ contractor(s) and DPH as necessary	Date demolition completed: _____

1695

SUNNYDALE-VELASCO HOPE SF MASTER PLAN PROJECT (CASE 2010.0305E): MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>Mitigation Measures Agreed to by Project Sponsor (cont.)</b>				
<b>Hazards/Hazardous Materials (cont.)</b>				
<i>Mitigation Measure M-HZ-2: Site Mitigation Plan and Radon Survey</i>				
<p>The project sponsor shall retain a qualified environmental consulting firm to prepare a Site Mitigation Plan (SMP) to address the possible discovery of unexpected contaminants during construction. The SMP shall specify procedures to follow upon discovery of suspect soils and include appropriate notification, handling, and disposal protocols. The SMP shall also include contingency response actions, worker health and safety protocols, stormwater protection measures, dust mitigation in accordance with San Francisco Health Code Article 22B, and noise control in accordance with San Francisco Noise Ordinance.</p> <p>The project sponsor shall also prepare work plan describing procedures for the completion of a radon soil vapor survey to be conducted prior to construction.</p> <p>The SMP and radon soil survey work plan shall be submitted to the San Francisco Department of Public Health for review and approval prior to commencement of construction activities.</p>	Project sponsor/ contractor(s)	Prior to demolition or construction. Implementation during demolition activities.	SMP and radon soil vapor survey plan shall be submitted to SFDPH for review and approval	Both plans submitted: Date: _____
<b>Improvement Measures Agreed to by Project Sponsor</b>				
<i>Improvement Measure I-TR-D</i>				
<p>The project sponsor could work with Recology, the City's designated trash, recycling, and compost hauler, and with the San Francisco Department of the Environment and the SFMTA's Sustainable Streets Division as master planning proceeds to the schematic design stage for the proposed buildings, to ensure that trash, recycling, and composting facilities are designed to ensure maximum diversion of trash from the City's landfill and that the collection bins are stored in such locations to maximize efficiency in container pickup and minimize traffic disruption during collection.</p>	Project sponsor/ contractor(s)	As master planning proceeds to the schematic design stage for the proposed buildings	ERO, in consultation with Recology, San Francisco Department of the Environment and the SFMTA's Sustainable Streets Division	
<i>Improvement Measure I-CC-TR</i>				
<p>The project sponsor could work with SFMTA to prohibit left turns at the intersection of Geneva Avenue and Brookdale Avenue by installing raised pavement markers.</p>	Project sponsor/ contractor(s)	If SFMTA determines left turns shall be prohibited	SFMTA, in consultation with ERO as necessary	Considered complete upon installation of raised pavement markers

1696

**EXHIBIT M**  
**TRANSPORTATION DEMAND MANAGEMENT PLAN**

[attached]

**SUNNYDALE HOPE SF  
TRANSPORTATION DEMAND  
MANAGEMENT PLAN**



## TABLE OF CONTENTS

### 1.0. INTRODUCTION

- 1.1. Overview of Sunnydale today and proposed Project
- 1.2. Sunnydale HOPE SF Master Plan
- 1.3. Current Transportation Conditions
- 1.4. Auto Trip Reduction Target

### 2.0. TRANSPORTATION DEMAND MANAGEMENT STRATEGIES

#### 2.1. TRANSPORTATION DEMAND MANAGEMENT PROGRAMS

- 2.1.1. Transportation Coordinator
- 2.1.2. Employers
- 2.1.3. Carshare
- 2.1.4. BikeShare
- 2.1.5. Storage
- 2.1.6. Childcare

#### 2.2. TECHNOLOGY

- 2.2.1. Nextbus
- 2.2.2. Real time transportation information displays
- 2.2.3. Wayfinding

#### 2.3. PARKING MANAGEMENT

- 2.3.1. Bundled Residential Parking
- 2.3.2. Unbundled Residential Parking
- 2.3.3. Unbundled Non-Residential Parking
- 2.3.4. Bicycle Parking
- 2.3.5. On-street Parking Management
- 2.3.6. Geneva Harney BRT and impact on TDM plan

## LIST OF DIAGRAMS

TABLE 1 - Projected Mode Splits by Trip per Day at Full Buildout without TDM

TABLE 2 - Maximum Driving Trips for each Phase

TABLE 3 - Required Carshare Parking Spaces per Building

TABLE 4 - Projected Maximum Off-Street Parking Spaces per Building Type per Phase

DIAGRAM 1 - Sunnydale HOPE SF Master Plan

# Sunnydale HOPE SF

## Transportation Demand Management Plan

### 1.0. INTRODUCTION

This Transportation Demand Management (TDM) Plan includes strategies to support residents, tenant employees, and visitors in making trips by sustainable modes to, from and within the new Sunnydale HOPE SF Project as described in Exhibit C of the Development Agreement.

The primary purpose of this TDM Plan is to reduce the number of driving trips generated as a result of the Project in comparison to the number of driving trips that would be made if the Project was developed but there was no TDM Plan and implementation. This TDM program outlines opportunities of potential growth for mobility management and encourages reduced auto trips during PM peak hours. By promoting carpooling, bike riding, walking, and the use of public transportation the program encourages residents, employees, and visitors to use these alternate modes of transportation. The TDM program will correlate with the City of San Francisco's agencies transportation goals and will require the collaboration between many different transit-driven private and non-profit agencies.

The Sunnydale HOPE SF Project supports the qualities of the City's TDM goals, including:

- Reducing vehicle trips and vehicle miles traveled
- Transportation and land uses located to encourage walking and bicycling
- Streets designed for safe crossing to support walking trips
- Increased usage of neighborhood serving amenities and services for local residents
- Equitable and affordable access

#### 1.1. Overview of Sunnydale and proposed Project

As part of San Francisco's HOPE SF Initiative, a public housing revitalization program, the Sunnydale-Velasco ("Sunnydale") public housing site in the Visitacion Valley neighborhood will be transformed to provide current residents with high quality, sustainable housing and broad scale community development. All existing Sunnydale-Velasco households are low-income with a diverse population of ethnicities/races and various languages spoken at home.

Currently Sunnydale is removed from the city and the rest of Visitacion Valley by topography, the unusual street pattern, and by its barracks-like building design and layout. According to analyses prepared by the San Francisco Department of Public Health, Sunnydale residents experience isolation and segregation from surrounding neighborhoods. Although there are some access points into the neighborhood, the borders surrounding it are impermeable with many dead-end streets. Community members have described an environment in which residents of the surrounding Visitacion Valley

community rarely venture into Sunnydale-Velasco, and vice-versa. The street design and building structures inhibit physical and social connectivity within the site and with existing neighbors, while high traffic volumes and speeds on streets pose safety hazards to pedestrians and bicyclists.

The Project consists of the construction of new neighborhood amenities, streets and infrastructure, and up to 1,770 new affordable and market rate housing units. The goals for the revitalization of Sunnydale is to create a vibrant and healthy mixed-income neighborhood in which residents thrive. The Project should reconnect Sunnydale residents with the surrounding neighborhood and reconnect the surrounding neighborhood with Sunnydale residents. It is envisioned that new housing will bring new residents of different incomes, new quality programs for youth and families, and new open space and green landscaping will provide healthy places to play and to grow local produce.

SFMTA and the Developer acknowledge the importance of excellent Muni and other transit services, which will be vital to the HOPE SF vision of advancing economic mobility and social equity for this community.

### 1.2. Sunnydale HOPE SF Project

The 50-acre master planned Project will require the demolition of 775 family and senior public housing units. Highlights of the plan include:

- Up to 1,770 units of housing on 41 parcels, including affordable replacement units for each existing Sunnydale/Velasco public housing household; affordable rental and market rate units and affordable for-sale units;
- Approximately 60,000 square feet of community service, recreational, educational facilities and neighborhood-serving retail;
- 3.6 acres of open spaces, including a community garden, a farmer's market pavilion and another 5 acres of secure outdoor courtyards within residential buildings; and
- 12.2 acres of a new and reconfigured street network potentially including "green" features including bioswales and landscaping.

Mercy Housing and Related California will develop, own and manage all of the affordable housing developments throughout the site, including the affordable housing development to be constructed on a half-acre vacant lot located at the southeast corner of Sunnydale Avenue and Hahn Street. The market rate rental and ownership properties will be constructed and managed by other developers. The construction of this new development will be phased over 11 phases in a 12-15 year period. With each phase, existing infrastructure, streets and units will be demolished and replaced with streets in a new street grid with bike lanes and/or sharrows, bus stops, sidewalks, bulb outs and landscaping. The Sunnydale HOPE SF master plan illustration is on the following page.

### 1.3. Current Transportation Conditions

Over 50% of current Sunnydale/Velasco households do not have cars, therefore, public transit is an important asset to the community. Sunnydale is currently served by a number of SFMTA public transportation options. There are four Muni bus routes (8X, 8BX, 8AX, 9, 56) that traverse (or run adjacent to) the site and one light rail service (T Third) that has a stop approximately 0.8 mile east of the site and can be accessed via bus or walking. While the local transit service to and from the site is



provided by Muni bus routes, these services can be used to access regional transit operators including SamTrans, Bay Area Rapid Transit and Caltrain (which is located less than a mile from the Sunnydale neighborhood).

Changes to the bus routes will be minimal as a result of the master plan build out. During construction, bus routes that are affected will be temporarily re-routed and will be reverted back once construction of the master plan is complete. The Developer will construct the new roadway system and traffic control improvements in phases in advance of or to match the phased development of the blocks. The amount of the existing roadway repaired and/or replaced will likely be the minimum necessary to service the block. Repairs and/or replacement of the existing facilities necessary to serve the block will be designed and constructed by the Developer. Impacts to improvements installed with previous phase of development due to designs of the new phase will be the responsibility of the Developer and will be addressed prior to approval of the permit drawings for the block.

Currently, there are no formal transportation-sharing opportunities available to residents such as carshare and bikeshare, however residents do informally rideshare. There are no designated bicycle routes and lanes adjoining the site and some pathways are not clearly identifiable. Pedestrian traffic in the neighborhood is generally light to moderate and is easily accommodated by the sidewalks and crosswalks in the area.

#### 1.4. Auto Trip Reduction Target

According to the Sunnydale-Velasco Environmental Impact Report/Environmental Impact Statement (EIR/EIS), the proposed Project at full build out, without TDM measures in place, would generate approximately 6,086 net new auto person trips, 3,749 transit trips, 748 walking trips, and 331 other trips (bike, carpool, etc.) for a total of 10,914 trips on a typical day. The goal of this TDM is to reduce this projected auto trips generated by reducing driving by 15% from what the EIR calculated.

Table 1 outlines the auto driving trips at full build out per day during the weekday PM peak period (which is 4:00pm to 6:00pm) without the TDM and the target to achieve with the TDM.

Table 1: Projected trips per day at full buildout

Mode of Transportation	Estimated total trips in PM peak period per EIR/EIS without TDM	Estimated total trips in PM peak period with TDM (15% reduction)
Driving	929	789 (cap for TDM)

Site monitoring for TDM compliance with the auto trip cap will focus on the number of driving trips in the PM peak period per day, and comparing it to the cap of 789 driving trips in the PM peak period per day at full buildout.

Prior to full buildout, the new Project will be constructed in 11 phases over a 15 year or more period, with the portion of the existing Sunnydale-Velasco public housing that remains still occupied. With each phase of new development constructed and occupied by residents, the effectiveness of the TDM

program would be evaluated. The first evaluation would be conducted 18 months after the Certificate of Occupancy has been issued for the first development phase of housing units. After the first phase, the evaluation would be conducted every 2 years, until 2 years after Certificate of Occupancy has been issued for the final phase of the Project.

At each point of evaluation, the number of driving trips in a PM peak period generated by the Project would be counted. The count could occur by a number of methods agreed to by the Developer and the MTA, such as a third party firm engaged by the Developer to observe and document (count) the driving trips generated by the Project. The driving trips count would be arranged so that the driving trips generated by the existing Sunnydale/Velasco public housing would not be included in the evaluation. This would be accomplished by stationing observers at key locations, or installing temporary technologies to count auto trips from new building driveways and garages.

The maximum number of driving trips for each development phase would be determined by calculating the percentage of new housing units that are constructed in the phase divided by the total of 1,770 housing units. That percentage would be multiplied by the total 789 driving trip maximum for the overall Project. This is calculated for each phase in the table below.

**Table 2: Maximum Driving Trips for each Phase**

Phase	# of housing units planned	% of total planned units	Project driving trip cap in a PM peak period for the phase	Cumulative Project driving trip cap in a PM peak period for all phases constructed and occupied
Total all phases	1,770	100%		789 driving trips
Parcel Q	55	3%	25	25
1A-1	86	5%	38	63
1A-2	89	5%	40	103
1A-3	173	10%	77	180
1B & 3C	69	4%	31	210
1C	148	8%	66	276
2A	220	12%	98	374
2B	165	9%	74	448
2C	176	10%	78	526
3A	209	12%	93	619
3B	304	17%	136	755
3C	62	3%	27	782

As each new phase is developed and occupied, the maximum number of driving trips in a PM peak period should be updated to reflect all new Project housing units constructed and occupied. This cumulative total of driving trips would be compared to the number of actual driving trips counted in a PM peak period.

A written status on implementation of all TDM measures required by the Plan as well as a report on the driving trips in a PM peak period will be prepared and provided to the SFMTA 18 months after the certificate of occupancy for housing in the first development phase, and then every 2 years after that. If the Project is exceeding the auto trip cap in a PM peak period, the Project (as represented by the Transportation Coordinator, the Developer and property owners as appropriate) will work with the SFMTA to determine the additional data to collect to identify why the trip cap is exceeded, identify

additional TDM measures for the Project to implement, and/or alterations in the implementation of existing TDM strategies as appropriate.

The SFMTA or other City agencies may access the Project site to collect additional data that is outside the TDM compliance to inform its work in transportation planning. City agencies will provide advance notice and coordinate data collection with the Developer.



## 2.0. TRANSPORTATION DEMAND MANAGEMENT STRATEGIES

### 2.1. Transportation Demand Management Programs

Strategies that will be implemented in order to support people making sustainable trip choices include:

- Utilizing technology and social media to keep residents up-to-date on transportation information
- Bicycle usage and maintenance station(s) for use by residents
- Carshare and other shared motorized programs
- Improving and distributing transit and carpool rider information
- Secure location for storage of personal items (ie. car seats, strollers, cargo bicycles)

#### 2.1.1. Transportation Coordinator

The TDM Coordinator (TC) is responsible for implementing the ongoing operation of all TDM measures included in the Sunnydale HOPE SF project. The TC will be an employee on site and will be the single point of contact for all residents, employees, and visitors for all transportation-related questions. The TC will provide them with important information they need to take advantage of transportation alternatives that best fit their needs and will also provide continual training to building staff awareness about transportation opportunities available in Sunnydale and in nearby neighborhoods. The Coordinator will also be in charge of the following activities:

- Information Distribution – Develop information packet of transportation services on site including transit routes and schedules, carpooling information, carshare and bikeshare. The TC will be responsible for distributing the packet to new residents, tenants, and employees. The SFMTA website also provides transportation information in nine different languages that will greatly benefit the diverse community.
- Coordination with Residents and Visitors - The neighborhood hub that will be located at Sunnydale Avenue and Hahn Street will be a central location for transportation information to be distributed.
- Promotional Activities – Participate in various activities in the neighborhood such as community fairs and festivals in order to promote and manage the operation of the TDM program. Similar to product advertising, awareness and educational programs, workshops, and community outreach efforts may take the form of promotional campaigns.
- Trip Planning – A plan will be in place for the TC to inform residents of alternatives to single occupancy vehicle usage. The TC could help residents and children obtain discounted or free Muni passes, help to schedule rides with Paratransit and help residents purchase and add funds to their Clipper Cards.

#### 2.1.2. Employers

Employers within the Project (which does not include the existing Sunnydale-Velasco public housing complex) will participate in the TDM program as follows:

- A. The TC will include employers and their employees when outreaching to provide information and trip planning assistance, as well as to coordinate promotional activities.
- B. Bikeshare and carshare should be available to any on-site employers and their employees.
- C. Lease agreements with non-residential tenants will include provisions requiring employers to offer pre-tax transit benefits to employees and to enroll in San Francisco's Emergency Ride Home program. These actions should not present costs to employers.

**2.1.3. Carshare**

Local carshare organizations will be encouraged to provide services throughout the site with free reserved on-street parking spaces or designated parking spaces within various residential parking garages. Organizations such as ZipCar, Getaround, and GoCarma offer convenient opportunities for members to use vehicles when needed and offer member rates at a reasonable price. The Developer will work with organizations such as these to arrange for discounted rates in order to help minimize the costs for the transportation needs of the low income residents.

This TDM plan aligns with the City's and SFMTA's goals of encouraging and promoting the use of sustainable modes of transportation in order to reduce traffic and to promote healthier lifestyles. The table below displays information from the San Francisco Planning Code as to how many car share parking spaces are required by the City per number of units for residential and non-residential buildings. The goal is to provide carshare opportunities beyond the planning code.

**Table 3: Required Carshare Parking Spaces per Building**

Land Use	Number of Residential Units/Parking Spaces	Number of Required Car Share Parking Spaces
Residential	0-49 units	0
	50-200 units	1
	200 or more units	2, plus 1 carshare spaces for every 200 dwelling units over 200 units
Non-residential	0-24 parking spaces	0
	25-49 parking spaces	1
	50 or more parking spaces	1, plus 1 carshare space for every 50 parking spaces over 50 parking spaces
Source: San Francisco Planning Code Section 166		

**2.1.4. BikeShare**

Bicycle-sharing systems, similar to car sharing, allow for individuals to borrow bikes for a short period of time. Bay Area Bike Share (BABS) and local bicycle shops give individuals the opportunity to rent bikes on a regular basis or for one time uses. BABS and other local bike sharing businesses will be encouraged to install pods throughout the site and to give residents the opportunity to utilize bikes on a temporary basis. As the Sunnydale community is a large family community, we will work with organizations to offer cargo bicycles so that entire families can utilize the bicycles as well.

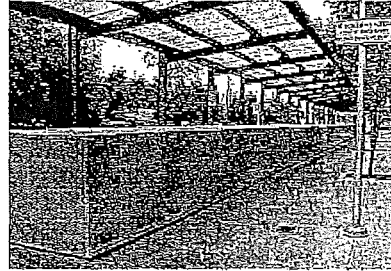
The Developer will work with BABS or other bike sharing organizations to identify locations for pods on-site. Bikesharing companies such as BABS have numerous criteria for selecting new locations including access to solar power, American Disabilities Act requirements, and anticipated demand for the system.

As we begin the revitalization process we will work closely with bike sharing programs to determine beneficial locations based on demand and neighborhood needs. We will also work with them to provide a fleet of bicycles for residents of the site, along with maintenance services for the bicycles.

### 2.1.5. Storage

In order to accommodate and minimize challenges associated with families making trips without a private vehicle, storage spaces will be provided for residents and visitors. They will be located in secure locations within the residential buildings, open space blocks and the neighborhood Hub for residents and visitors to store personal items such as car seats and bicycles. Access will require a code or key access to be used as they move around the development. Users will be required to sign up for a key or access code prior to using a locker or shared access shed. A designated amount of lockers will be set aside for visitors who will be able to

temporarily access the lockers. These storage lockers will be similar to storage units that are available to Caltrain users, which provide a great level of protection for bikes for extended periods of time.



Example of Caltrain storage units

Bike racks will also be located throughout the site to provide additional storage for bicycle users.

### 2.1.6. Childcare

The Developer will develop on-site childcare facilities to reduce distance traveled in between work, households, and childcare. On-site childcare will accommodate 60-100 children in child care centers. The affordable rental buildings will also include some units designed for family based day care provided within an apartment unit.

## 2.2. Technology and information

### 2.2.1. NextBus

NextBus technology is a public transit vehicle tracking system that predicts when the next public transit vehicle will arrive at any given stop. As we improve on the bus infrastructure throughout the site, we will have these screens displayed at each bus stop where possible to help provide transit users with current transit information. The Developer will work with SFMTA and SFPUC to locate and power this technology. The signs at the transit stops and the needed tracking hardware is paid for by the transit agency and is installed by the SFMTA.

In the near future, NextBus will provide alerts notifying users automatically via computer or wireless device when the NextBus is within a specified distance, allowing people to know exactly when to leave their home or offices to catch the next bus.

### **2.2.2. Real time transportation information displays**

Provide real time transportation information on displays (e.g. large television screens or computer monitors) at prominent locations (entry/exit areas, lobbies, elevator bays) on site to highlight sustainable options and support informed trip-making. Our goal is to implement this technology at each major entry/exit of affordable residential buildings and in the community center and at visible locations in other areas of the community Hub for easy and quick access.

### **2.2.3. Wayfinding**

With new and improved transportation pathway connections, multimodal wayfinding signage will be in key locations to support access to transportation services and infrastructure, including:

- Transit
- Bike share
- Car-share Parking
- Bicycle parking and amenities (including repair stations and fleets)
- Taxi/Shuttle/Carpool/Vanpool pick-up/drop-off locations

Wayfinding signage shall meet City standards for any on-street wayfinding signage, in particular for bicycle and car-share parking, and shall meet best practices of any interior wayfinding.

## **2.3. Parking Management**

The existing site currently contains 430 off-street surface parking spaces (0.55 spaces per dwelling unit) and 452 on-street parking spaces. The proposed Project could provide a maximum of 1,360 off-street parking spaces (0.76 spaces per dwelling unit) in underground and at-grade parking garages in mixed-use and residential buildings, and 525 on-street parking spaces. The actual number of parking spaces constructed will be lower to account for bike storage, construction costs and other factors. Table 3 below outlines the Projected Maximum Off Street Parking Spaces in each of the Project Phases that provides target caps for each phase.

All off-street residential parking spaces would be provided in the parking garages in residential buildings, and parking spaces for the retail and community uses would be provided on the street only. Employees will have access to some off street parking on Block 3, near Sunnydale Avenue and Hahn Street.



**Table 4: Projected Maximum Off-Street Parking Spaces per Building Type per Phase**

Phase	Affordable Buildings Total off-street parking	Market Rate Buildings Total off-street parking	Total Off-street Parking Spaces
Parcel Q	30	0	30
1A-1	60	0	60
1A-2	60	8	68
1A-3	100	0	100
1B & 3C	56	71	127
1C	62	48	110
2A	110	113	223
2B	62	86	148
2C	48	104	152
3A	0	94	94
3B	48	200	248
<b>Total Off-street Parking Spaces per Building Type</b>	<b>636</b>	<b>724</b>	<b>1360</b>

**2.3.1. Bundled Residential Parking**

A secure parking garage will be provided in each of the affordable housing buildings for residents of that particular building. Parking spaces are not going to be provided for every unit and will be available upon a specified selection process. Residents will not be charged any fees to utilize the space per affordable housing funding regulations.

**2.3.2. Unbundled Residential Parking**

Residents who reside in market rate buildings will have access to parking spaces in their buildings garage, but will have to pay for their designated parking spot separately from their units.

**2.3.3. Unbundled Non-Residential Parking**

On street parking will be available for commercial, retail and service provider patrons and managed by the SFMTA

**2.3.4. Bicycle Parking**

Bicycle parking will be provided per the planning code requirements. In addition, space will be allotted for bikeshare pod(s). Bicycle parking will be provided both in private garages and within public open

spaces and sidewalks. As previously stated, bike racks will also be located throughout the site to provide additional storage for bicycle users.

### **2.3.5. On-street Parking Management**

The SFMTA will determine what parking management measures are appropriate over time for the site.

### **2.3.6 Geneva Harney Bus Rapid Transit and impact on TDM plan**

The Geneva Harney Bus Rapid Transit (GHBRT) will run on Geneva Avenue, which is located two blocks from the southern edge of the Project. The GHBRT construction is scheduled to start in 2020 and complete in 2023 and will provide direct connection on Geneva Avenue between Balboa BART station to the west, and Bayshore Blvd and potentially to the Bayshore Caltrain Station to the east. This GHBRT service will greatly enhance transportation access and mobility for the Project residents. When the GHBRT engineering drawings are at 65% completion, the SFMTA will notify the Developer, and the off-street parking ratio for the market rate parcels will be capped at .75 spaces per housing unit for any development phase that has not yet been approved by the Planning Department under the Phase Application process described in Exhibit K of the Development Agreement.

At this time and if not already implemented as a result of the periodic evaluation described in Section 1.4 above, market rate developers shall offer contributions of no less than 50% of a year's cost of monthly Muni "M" passes for sustainable transportation options to each market rate dwelling unit and/or employee, at least once annually, for the life of the Project. Contributions will be provided in the form of untaxed e-cash loaded onto a Clipper Card. The percent contribution shall be increased annually to reflect the two-year average consumer price index change for the San Francisco/San Jose Primary Metropolitan Statistical Area or the change in the cost of a monthly Muni only "M" pass, whichever is less. In addition, the property owner may consider providing contributions for credits to subsidize shared rides such as Lyft Line and uberPOOL to transit stations.

## EXHIBIT N

### PUBLIC OPEN SPACE IMPROVEMENTS AND PARK DEDICATION PROCESS

#### 1. General Terms

- a. The Project includes the creation of new privately-owned, publicly-accessible open spaces and recreational assets (collectively, "open space assets" or "asset") as listed in Table 1 and as identified in Exhibit E (List of Improvements), and as further detailed in the Sunnydale Design Standards and Guidelines ("DSG").
- b. The Parties may determine by mutual agreement that certain open space assets should be acquired, operated, and maintained by the San Francisco Recreation and Parks Department ("RPD"). If the Developer identifies open space assets that could be owned by RPD, the Developer shall inform RPD of that intent before submitting the Development Phase Application that contains such open space asset. This process for public control is further described in the sections below.
- c. Design & Construction
  - i. The Developer is responsible for the development (including all design, engineering, construction and installation) of all Project open space assets, and all associated costs thereof. Open space assets shall comply with all applicable laws, Basic Approvals, Implementing Approvals, and environmental controls such as the DSG, FEIR/FEIS and Master Infrastructure Plan.
  - ii. Open space assets shall undergo review and approval pursuant to the Design Review process outlined in the Sunnydale SUD and in Exhibit K (Development of Project and Phase Application Process). As described in Exhibit K, the Developer will submit designs of each of the proposed open space assets through the Design Review process. Through the Design Review process and in coordination with the Planning Department, the RPD General Manager or his/her designee will review and comment on designs of proposed privately owned publicly accessible open space assets and/or public infrastructure elements that encroach on existing or proposed RPD property.
  - iii. For any open space asset that is proposed to be owned by RPD, the Developer shall follow the review and approval procedures outlined in this Exhibit N.
  - iv. RPD review is intended to promote integration with, and consistency to, adjacent RPD parks and open spaces, particularly Herz Playground and McLaren Park. The Developer will work with RPD to ensure that the

character of new open space assets complement existing and proposed RPD facilities and RPD recreational goals.

d. Operations & Maintenance

- i. Open spaces retained by Developer or Developer’s agent/assignee shall be operated per the terms outlined in Exhibit G (Regulations Regarding Access and Maintenance of Privately Owned Community Improvements). The Developer shall outline a programming plan for each open space asset under its control, including funding source(s) and external partnerships, for review by the San Francisco Mayor’s Office of Housing and Community Development (“MOHCD”) and RPD prior to the completion of each open space asset.
- ii. Open spaces owned by RPD shall be operated solely by RPD. However, the Developer shall be required to enter into maintenance agreements as described herein. Prior to initiating the process for public control of an open space asset, the Developer will confirm in writing that the Annual Maintenance Cost for the space can be fully funded by site-generated revenue.

**Table 1.**

<b>Open Space Asset</b>	<b>Intended Ownership</b>	<b>Intended Operations &amp; Management Responsibility</b>
Block 2 Plaza and Orchard Open Space	Affiliate or Affiliates of Developer, or a Management Association established by the Developer	Developer, Developer’s Affiliate(s), or its agent/assignee or a Management Association established by the Developer
Block 4 Neighborhood Green Open Space		
Block 25 Mid Terrace Open Space		
Block 30 Overlook Open Space		
Block 1 Hub		

**2. Consideration of Public Control of Open Space and Recreational Assets**

- a. As the Project is implemented over time, the Parties may mutually agree that some of the planned open space assets in the Project are suitable for public control.
- b. If this determination is made, or if a Party would like to explore the potential of public control, then the Parties shall meet in good faith to discuss whether to pursue public control of the open space asset.

- c. If it is decided by the Parties to pursue public control, then the Parties shall comply with the process outlined herein.
- d. If it is decided by the Parties to pursue a public-private model for control of the open space or recreational asset, such as a co-located recreational facility spanning RPD property and the Project, then the Parties will determine an appropriate process that substantially conforms to the process outlined herein.
- e. Prior to initiating the process for public control of open assets described herein, the Developer will confirm that the Annual Maintenance Cost for the open space asset can be fully funded by site-generated revenue.

### **3. Process for Public Control of Open Space and Recreational Assets**

#### **a. Park Design Review Process**

- i. A minimum of nine months prior to the submittal of the Phase Application that contains an open space asset to be owned by RPD, Developer shall inform RPD in writing whether it intends to proceed with the proposed RPD ownership of the open space asset. If the developer declines to proceed, RPD shall have no further obligations under this Exhibit N. This indication shall not alter the Planning Department's review or approval of the Phase Application.
- ii. A minimum of six months prior to submittal of the Phase Application that contains an open space asset, the Developer and RPD shall enter into a design services contract, described in Section (c) below, and timeline for design of the asset, and to retain an independent consultant or consultant team to produce a concept plan for presentation to the Recreation and Park Commission. The consultant shall be vetted and approved by RPD in advance. The scope of the contract will be reviewed and approved by MOHCD. The scope of the contract shall include, without limitation, the following:
  - Analysis and presentation of constraints and opportunities of the site, including topography, sunlight, views, neighboring uses, and access;
  - Collaboration with RPD staff to develop concept plan options for the asset design;
  - Preparation of schematic plans, perspectives, and renderings as needed to illustrate conceptual options for the asset design;
  - Cost estimates for construction of one draft Concept Plan, a Final Conceptual Design, and maintenance costs based on the Final Conceptual Design;

- Preparation of a Final Conceptual Design for consideration and approval by the RPD Commission;
  - Preparation of construction documents for review and approval by RPD operations and maintenance staff at 30-60-90% of completion.
- iii. RPD shall lead a design review process, in collaboration with the Developer and consultant, to refine the conceptual design included in the DSG and develop a Final Conceptual Design for the open space asset. This design review process shall supplant the requirements for Design Review approval of Community Improvements outlined in Exhibit K (Development of Project and Phase Application Process). As part of the design review process:
1. RPD shall conduct community outreach in concert with the Developer to solicit public feedback on the design and program for the asset and shall hold a minimum of three and maximum of five community meetings on the conceptual design.
  2. RPD may request modifications to the conceptual design during the design review process shall be guided by, without limitation, the following goals:
    - Open space asset amenities that contribute to and complement those offered at other nearby parks, including Herz Playground and McLaren Park;
    - Creation of unique identity and sense of place;
    - Creation of area suitable for active uses and amenities well suited to serve the current and projected demographics of the area; and
    - Configuration, layout and materials selection consistent with RPD project standards, design guidelines and best practices for maintenance.
  3. Developer shall prepare a budget of the estimated asset development costs, Asset Construction Budget, with the approval of MOHCD, as more fully described below.
- iv. During conceptual design development, the Developer shall seek and obtain advanced written approval from RPD staff of the design of any utility infrastructure or facilities planned to be built on, over, or beneath the asset, regardless of whether they are designed to provide service to the asset. It is anticipated that the Developer, with assistance from RPD, will establish non-exclusive maintenance access easement agreements with the parties responsible for maintaining those utilities that are not part of and do not serve the asset.

- v. Upon the fulfillment of the terms listed above and approval from MOHCD, the Developer shall prepare and present a Final Conceptual Design to the Recreation and Park Commission for approval. The Parties intend that the design review and community outreach process, from execution of the design services contract through approval of the Final Conceptual Design, shall be conducted in an efficient and dedicated manner to last no longer than a period of 18 months. After approval of a Final Conceptual Design for the open space asset, the Developer shall inform RPD in writing within 60 days whether it will proceed with the anticipated RPD ownership of the asset. If the developer declines to pursue RPD ownership, RPD shall have no further obligations under this Exhibit N.
- vi. If the Parties agree and confirm that the recreational asset will be owned by RPD, RPD will cooperate with Developer to apply for local, state, federal or private funding that may be available to develop and operate the open space asset.

b. RPD Funding Agreement

- i. RPD's project management activities are City Costs, as defined in this Agreement, and shall be subject to reimbursement per the terms outlined in Section 6.10, City Cost Recovery. Developer, MOHCD, and RPD shall establish a funding agreement to support RPD project management activities during the design review process, including RPD review and approval of the design services contract, outreach and facilitation of community meetings on design, review of construction documents, and construction monitoring. The project management activities shall consist of the equivalent to 60 hours of the regular hourly employee pay rate with fringe benefits for a Project Manager I based on the actual cost at the date of the funding agreement, or design services contract, whichever is earlier.

c. Conceptual Design Cost Estimate

- i. It is in the interest of all Parties to develop a cost estimate for asset construction during the design review process to ensure the Developer can meet its funding obligations and so that RPD can project appropriate maintenance costs for the future asset. The Developer shall identify an Asset Construction Budget, defined below, that has been approved by MOHCD, at the outset of the design review process and the Parties will work together to establish methodology for updating the budget as the design progresses. Throughout the design review process, MOHCD, the Developer, and RPD shall negotiate in good faith to find design solutions

that result in estimated development costs that are agreeable to the Parties.

- ii. The Asset Construction Budget shall include all building materials and physical improvements to the land related to facilities, all finish grading, direct labor costs for installation of the improvements, a 10% construction contingency, and an additional 2% for Public Art per SF Admin Code Sec. 3.19. (if applicable) but shall not include the cost of cut and fill, rough grading, the utility facilities required to serve the site, or storm water management requirements for the Project as a whole.
- iii. The parties may modify the park design during the design review process. However, if the modifications would cause significant additional construction costs – i.e., if the Park Construction Budget would increase by greater than 15% per square foot – then the Developer, MOHCD, and RPD shall review the proposed modifications for feasibility.
- iv. Developer shall disclose to RPD all documentation supporting its analysis of the Asset Construction Budget. If the Parties disagree about whether a design recommended by RPD staff, including selected park features, can be built within the Asset Construction Budget specified above, the parties shall meet and confer in good faith. If unable to resolve their disagreement, the Parties shall be required to jointly select a mediator to resolve the dispute.

d. Open Space Asset Construction and RPD Acquisition

- i. If the Recreation and Park Commission approves the Final Conceptual Design, the Developer shall prepare and submit construction document submittals to RPD staff for review and approval at 30%, 60% and 90% completion.
- ii. RPD and Developer will agree to a schedule for review and approval of construction documents before Developer begins this detailed design work.
- iii. The Developer shall be responsible for obtaining any other City approvals that may be required in connection with the asset design and development, including building permits and any other applicable requirements or restrictions associated with environmental conditions on the site.
- iv. The mutually agreed construction documents shall be consistent with the Final Conceptual Design and utility facilities layout. The final construction documents shall be approved by the RPD General Manager by written notice prior to the commencement of construction.



- v. During the asset construction period, RPD will conduct neutral-party construction monitoring to ensure that the asset is being installed as it was approved by RPD. RPD overhead costs for this task will be reimbursed by the Developer. The Park Construction Budget shall be adjusted by a cost escalation factor of 5% for each 12-month period after the construction start date projected for the asset by the Phase Application.
  - vi. RPD, with assistance from the Department of Public Works Infrastructure Design and Construction Division as applicable, shall inspect the open space asset upon completion of construction. If RPD determines that the asset conforms to the approved construction documents, and all applicable laws and performance standards, then RPD shall issue a written notice to Developer that the asset as constructed meets the agreed criteria. The Parties will then initiate the acquisition process, and RPD shall assume control of the underlying land, if applicable, and improvements, at no cost to RPD.
  - vii. Upon transfer of ownership to RPD, the open space asset will become an RPD asset with all the ongoing maintenance, operations, costs management and programming requirements associated with an RPD-owned and operated facility.
  - viii. Upon transfer of ownership to RPD, RPD holds the authority to approve a final name for the asset.
- e. Maintenance Costs and Funding
- i. During the construction document review process, the Developer, MOHCD, and RPD will work collaboratively to determine an Annual Maintenance Payment for the asset based on the Final Conceptual Design and construction documents. A Maintenance Agreement shall be executed prior to RPD's acceptance of the asset. RPD will not be obligated to acquire the asset until a Maintenance Agreement mutually agreed upon by the Parties is executed.
  - ii. The Maintenance Agreement shall include an Annual Maintenance Payment, which shall cover RPD's costs to maintain the asset for a period of 25 years from the date of RPD ownership in accordance with the maintenance standards set forth in Proposition C or any successor standards for maintenance of public parks that may be established by law or RPD policy ("Citywide Park Maintenance Standards"). Such maintenance shall include the services of gardeners, custodians, and security service, the provision of all required utility services, and capital

- renewal (repair or replacement of damaged or obsolete park improvements and equipment).
- iii. The Annual Maintenance Payment shall equal 4% (four percent) of the Total Replacement Value of the asset. The Total Replacement Value shall be equal to the sum of (1) the Asset Construction Budget as defined above, which shall constitute 70% of the Total Replacement Value; and (2) the estimated soft costs for permitting and design documents, which shall constitute the remaining 30% of the Total Replacement Value. The Annual Maintenance Payment shall be adjusted annually to reflect increases in labor and materials costs each year thereafter for the duration of the Maintenance Agreement, based on any increase in the CPI-U for the San Francisco Bay Area.
  - iv. The City shall set aside and maintain the Maintenance Payments, together with any interest earned thereon, and any amount unspent or uncommitted at the end of the fiscal year shall be carried forward to the next fiscal year and, subject to the budgetary and fiscal limitations of the San Francisco Charter, shall be appropriated only for the purposes specified in this Section.
  - v. The Parties anticipate that the Developer will satisfy its maintenance funding obligation by creating a Community Facilities District and/or a management association that will assess property owners in the Development Area. Accordingly, the Maintenance Agreement shall be included in the CC&Rs for any management association created for the Project, and shall be recorded against all parcels in the Project, and/or the obligations of the Maintenance Agreement shall be included as an obligation for any CFD established for the Development Area.

## EXHIBIT O

### PUBLIC FINANCING

As described in Recital C of this Agreement, the Project is part of the HOPE SF Initiative. Since establishment of HOPE SF in 2007, the City has funded master planning and social services at the Project based on annual appropriations. Pursuant to Section 10.100-370 of the Administrative Code, it shall be City policy to appropriate General Fund dollars to the HOPE SF Fund, established as a category four fund, for the purpose of assisting in the replacement of distressed public housing projects in the City.

MOHCD and the City are committed to predevelopment and gap financing from the HOPE SF Fund and other funds, as appropriation allows, to cover the development cost of the infrastructure, preparation of market rate parcels, open space and affordable housing development at the Project Site and other costs incurred by the Developer related to obligations in the this Agreement that are not covered by other funding sources.

#### 1. Mutual Obligations

- a. The Parties agree to use reasonable good faith efforts to facilitate application for and obtaining authorization to utilize: (i) multi-family tax-exempt or taxable bond financing; (ii) low income housing tax credits; (iii) grants, subsidies, and residual receipt loans from public entities other than the City; and (iv) any other method of low-cost financing that may be available or become available.
- b. The Parties will use good faith best efforts to request and provide funding for the Project at such times and in such amounts as to allow development of the Project in accordance with the Phasing Plan.
- c. The Parties agree to prioritize the expedited full buildout of the Project to the extent public and other funds are available, in accordance with the Phasing Plan, as attached in Exhibit J. The Parties will use best efforts to meet the following schedule:

Development Phase	Predevelopment Public Financing Commitment	Permanent (Gap) Public Financing Commitment
Parcel Q	FY 2016-16	FY 2016-17
Phase 1A-1	FY 2016-17	FY 2017-18
Phase 1A-2	FY 2016-17	FY 2017-18
Phase 1A-3: Block 3A and associated infrastructure	FY 2017-18	FY 2018-19

Phase 1A-3: Block 3B and associated infrastructure	FY 2018-19	FY 2019-20
Phase 1B	FY 2019-20	FY 2020-21
Phase 1C	FY 2020-21	FY 2021-22
Phase 2A: Block 10 and associated infrastructure	FY 2021-22	FY 2022-23
Phase 2A: Block 15 and associated infrastructure	FY 2022-23	FY 2023-24
Phase 2B	FY 2023-24	FY 2024-25
Phase 2C	FY 2024-25	FY 2025-26
Phase 3A	FY 2025-26	FY 2026-27
Phase 3B: Block 34 and associated infrastructure	FY 2026-27	FY 2027-28
Phase 3B: Block 35 and associated infrastructure	FY 2027-28	FY 2028-29
Phase 3C	F 2028-29	FY 2029-30

- d. The City and the Master Developer agree that the preceding schedule reflects the parties' desired timeline for the commitment of predevelopment and gap funding for all elements of the phase including infrastructure, vertical affordable housing development, vertical mixed use development, and open spaces.
- e. The Parties will update the Phasing Plan to reflect adjustments required to respond to material changes of critical path items, including but not limited to, major public financing applications and awards schedule in the availability of MOHCD and other public funds.

**2. Developer's Obligations to Receive Funding**

- a. Developer must apply to MOHCD using the HOPE SF loan application for funds.
- b. Developer must remain in compliance with all previous loans received to date from the City for the Project Site.
- c. Developer must remain in compliance with the terms of the Development Agreement.
- d. Developer must apply, as required in executed Loan Agreements with the City, for other financing from such sources including but not limited to the California

- Tax Credit Allocation Committee, California Debt Allocation Committee, California Department of Housing and Community Development, and HUD.
- e. Developer must comply with the terms of the MDA with the SFHA.
  - f. Developer must form necessary affiliates to receive funding as recommended by tax counsel.
  - g. All entities formed to receive a loan from the City must be compliant with City vendor requirements and be approved as a vendor in order to receive funding.
  - h. Developer is required to submit Development Phase Applications for all Phases that have received predevelopment funding commitments from MOHCD within 12 months of receiving such funding commitments.

### **3. Loan Approval Process**

- a. Developer submits HOPE SF loan application for predevelopment or gap loan to MOHCD Project Manager.
- b. MOHCD Project Manager reviews application and evaluates the proposed project using the MOHCD Underwriting Guidelines, MOHCD Commercial Space Guidelines, MOHCD A&E Guidelines, MOCHD HOPE SF Developer Fee Policy and other applicable policies as amended from time to time.
- c. Upon satisfactory compliance with MOHCD Policies, the MOHCD Project Manager will submit the loan evaluation to the HOPE SF Loan Committee for approval.
- d. The HOPE SF Loan Committee in its sole discretion will approve or reject the loan evaluation.
- e. The loan process is the same for Infrastructure development (including the preparation of market rate parcels) and Affordable Housing development.
- f. The loan process may be amended or changed from time to time.
- g. City loans are typically non-recourse, non-amortizing loans, terms and conditions apply.
- h. City grants may be applicable for funding parts of the project.

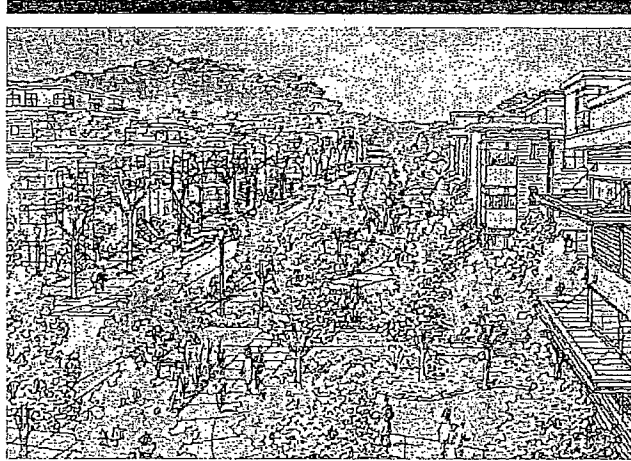
### **4. City Obligations**

- a. The City is not obligated to fund the funding applications.
- b. Any and all City funding commitments are contingent on the City's and/or MOHCD's annual or bi-annual budget approval process.
- c. The City intends to fund the projects to their full complete build out in accordance with the Phasing Plan.
- d. The City acknowledges that the Developer's ability to perform construction of Infrastructure, Affordable Buildings and associated demolition of existing buildings and relocation of existing residents pursuant to the Phasing Plan is predicated on receiving funds from the City.

- e. The City acknowledges the complexity of developing a site that is currently occupied and that will require the Developer to work effectively with multiple stakeholders, including SFHA and HUD.
- f. The City will provide ongoing updates to Developer regarding annual funding projections, potential and actual funding delays, and any opportunities for funding acceleration. If, at any time, City anticipates that funding for the Project may be delayed or unavailable, City will provide Developer with written notice thereof, and the parties shall meet and confer to discuss impacts to the Project as a result of funding delays, and to develop a strategy for the continued development of the Project.

**EXHIBIT P**  
**MASTER INFRASTRUCTURE PLAN**

**[attached]**



# Sunnydale HOPE SF

## Master Infrastructure Plan

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Report prepared by Sunnydale HOPE SF Master Plan Development and Design Team

Sunnydale Development Co., LLC, Master Developer

Van Meter Williams Pollack, LLP, Master Plan Architect

KPFF Consulting Engineers, Master Civil Engineer

MIG | SvR, Green Stormwater Infrastructure Engineer

Merrill Morris and SWA, Master Landscape Architect

ENGEO, Incorporated, Geotechnical Engineer

AEW Engineering, Inc., Environmental Consultant

Giacone Design Services, Master Dry Utility Designer

Equity Community Builders, Infrastructure Development Manager

November 3, 2016



# Table of Contents

---

Sunnydale HOPE SF .....	1
Master Infrastructure Plan .....	1
Section 1 Introduction/Project Description .....	1
Section 2 Sustainability .....	12
Section 3 Environmental Remediation .....	12
Section 4 Demolition .....	23
Section 5 Geotechnical Conditions .....	23
Section 6 Site Grading .....	27
Section 7 Street Mobility and Circulation Designs .....	32
Section 8 Open Spaces .....	62
Section 9 Stormwater Management System .....	63
Section 10 Combined Storm/Sewer System .....	71
Section 11 Potable Water System .....	77
Section 12 Recycled Water and Greywater .....	80
Section 13 Auxiliary Water Supply System .....	81
Section 14 Dry Utility Systems .....	82
Section 15 Future Infrastructure Plan Submittal Requirements .....	93

---

## Table of Figures

---

Figure 1.1.	Concept Plan.....	3
Figure 1.2.	Phasing Diagram-Demolition.....	8
Figure 1.3.	Phasing Diagram-Construction.....	9
Figure 6.1.	Conceptual Grading.....	30
Figure 6.2.	Proposed Accessibility Strategy.....	31
Figure 7.0.	Geneva-Harney Bus Rapid Transit  Plan Bay Area 2040.....	33
Figure 7.1.	Circulation Diagram.....	36
Figure 7.2.	New and Reconfigured Streets Diagram and Preliminary Parcel Map.....	37
Figure 7.3.	Conceptual Site Plan and Street Layout.....	41
Figure 7.4.	Plan View and Section Locations.....	44
Figure 7.5.	Typical Street Cross Sections: Sunnydale Avenue.....	45
Figure 7.6.	Typical Street Cross Sections: Blythdale Avenue and Santos Street.....	46
Figure 7.7.	Typical Street Cross Sections: Streets A-D and Brookdale Avenue.....	47
Figure 7.8.	Typical Street Cross Sections: Center Street.....	48
Figure 7.9.	Potential Traffic Calming Elements.....	50
Figure 7.10.	Typical Intersection Bulb-Out Detail.....	51
Figure 7.10.1.	Typical Bulb-Out Utility Clearance Plan and Section.....	52
Figure 7.11.	Fire Access Diagram.....	54
Figure 7.12.	Conceptual Fire Truck Turning Analysis.....	55
Figure 7.13A.	Enlargement of Typical Intersection Fire Truck Turning.....	56
Figure 7.13B.	Enlargement of Typical Intersection Fire Truck Turning.....	57
Figure 7.13C.	MUNI Bus Turning Analysis.....	58
Figure 7.14.	Transit Diagram with Bus Stop Locations.....	61
Figure 9.1.	Location of Green Stormwater Infrastructure in Public Right of Ways.....	65
Figure 9.1.1.	Location of Green Stormwater Infrastructure in Public Right of Ways Enlargement.....	66
Figure 9.2.	Right-of-Way Stormwater Phasing Diagram.....	70
Figure 10.1.	Conceptual Combined Sewer System.....	75
Figure 11.1.	Conceptual Potable Water System.....	79
Figure 14.1.	Existing Electric Distribution at Project Site.....	83

Sunnydale HOPE SF Master Infrastructure Plan

# Table of Figures (cont.)

Figure 14.2. Electric PG&E Distribution System Currently Serving the Area.....84  
Figure 14.3. Existing Gas Distribution Plan.....86  
Figure 14.4. Conceptual Joint Trench Plan.....90  
Figure 14.4.1 Conceptual Joint Trench Plan.....91  
Figure 14.5 Electrical Switchgear Location.....92

# Sunnydale HOPE SF

## Master Infrastructure Plan

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### Section 1 Introduction/Project Description

#### 1.1 Purpose

The Sunnydale HOPE SF development ("Project") is a master planned development of up to 1,700 new affordable and market rate housing units, new open spaces, neighborhood serving amenities, and new streets and utility infrastructure to be built in place of the existing Sunnydale-Velasco public housing site ("Project Site") owned by the San Francisco Housing Authority ("SFHA"). The Project also includes a vacant half acre site located outside the Project Site at the southeast corner of Hahn and Sunnydale Streets, which will be developed as an infill site into affordable housing units under the Sunnydale HOPE SF Special Use District, the zoning control for the development of the Project. This infill lot is not included in this Master Infrastructure Plan.

This Master Infrastructure Plan ("MIP") serves as an exhibit to the Development Agreement ("DA") between Sunnydale Development Co., LLC and its Assignees ("Developer") and the City and County of San Francisco ("City") that controls the development of the Project. The DA describes the Project, and the roles and responsibilities of the Developer and the City in the design, financing, permitting, construction and monitoring of the Project. The term of the DA is 25 years.

The MIP describes the Project Site, its existing conditions, and the new infrastructure to be constructed in phases to support the phased development of the Project. The inclusion of the MIP as an exhibit to the executed DA constitutes the vetting of the MIP by the various City departments responsible for approving elements of the design and construction of the Project infrastructure. The DA, including the MIP, will serve as a reference for City permitting and monitoring over the course of the 25 year term of the DA.

#### 1.2 Existing Conditions

Of the four properties chosen by the San Francisco Housing Authority for development under the HOPE SF program – a program aimed at revitalizing the City's most distressed public housing properties – Sunnydale is the largest and one of the most isolated. Tucked below

the southeastern border of McLaren Park, Sunnydale is removed from the city and the rest of Visitation Valley by topography, the unusual street pattern, and by its barracks-like building design.

Today, Sunnydale's 775 housing units on 50 acres reflect a serious decline from the original design and construction. Entire systems require full replacement: the buildings and site are not compliant with building codes or ADA, and there are conditions that pose ongoing health and safety risks to residents, visitors and staff. Water intrusion into the units and the exterior canopies over the unit entries provide evidence of structural decline.

The stormwater utility system, sanitary sewage system, interior plumbing lines, electrical system, hot water heating system, hydronic radiator heating units, landscaping, irrigation system, and the site's asphalt pavement base and sidewalks must all be fully replaced.

### **1.3 Land Use Program**

Anticipated land uses at Sunnydale include up to 1,700 new residential units, a 30,000 square foot Community Center, approximately 30,000 square feet of retail and community serving space, 6.5 acres of new open spaces and over 12 acres of new and reconfigured streets. These maximum land use plan numbers have been used to develop utility demands. The master land use plan is illustrated in Figure 1.1.

### **1.4 Master Infrastructure Plan Overview**

The MIP will govern the construction and development of infrastructure on the Project Site, as well as off-site work needed to support the Project. The MIP may be modified to the extent that such additional infrastructure is mutually agreed to by the City and the Developer, consistent with the terms of the DA.

The MIP and DA define infrastructure improvements to be provided by the Developer as an integral part of the Project. The Project infrastructure obligations of the City and its agencies and departments are described in the DA.

As described in this MIP, the San Francisco 2015 Subdivision Regulations were the basis of design for the MIP. The design of the Project infrastructure will comply with the Subdivision Regulations that apply at the time of permitting, except where this may conflict with Sections 7.2 and 7.3 of the Development Agreement.

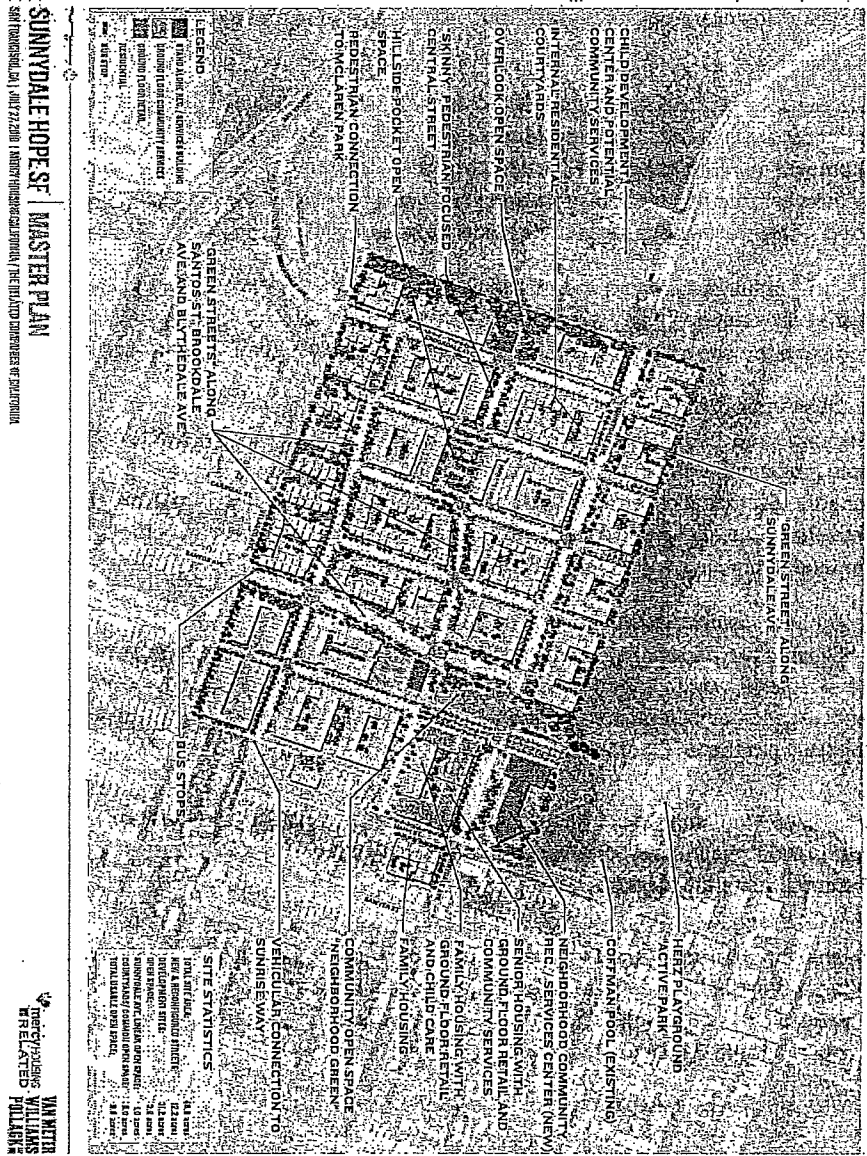


Figure 1.1.  
 Sunnydale HOPE SF Master Infrastructure Plan

**Section 1.4.1 Improvements to be owned and maintained by City**

Per Section 2.66 of the DA, the City will ultimately own and maintain the following Public Infrastructure Improvements:

- The roadway and streetscape elements located in the public rights of way, upon acceptance by the City's Department of Public Works ("SFDPW").
- Water and wastewater utility infrastructure and streetlights within the street improvements upon acceptance by the San Francisco Public Utilities Commission ("SFPUC").
- The green stormwater infrastructure located in the public rights of way, upon acceptance by the SFPUC and SFDPW, as applicable.
- Power utility infrastructure owned by SFPUC per the SFPUC's *Rules and Regulations Governing Electric Service*.

The following is a list of infrastructure items to be owned, operated and maintained by the San Francisco Metropolitan Transportation Agency ("SFMTA") within the public rights of way:

- a. Security cameras and monitors if desired by SFMTA
- b. Signals and Signal Interconnects for MUNI Bus Prioritization signals
- c. TPS signal preempt detectors
- d. Conduit containing TPS signal cables
- e. Departure prediction ("NextBus") monitors and related communications equipment
- f. Bus shelters
- g. Paint for MUNI stops on poles or asphalt delineating coach stops
- h. Asphalt painting for transit lanes
- i. Crosswalk striping
- j. Bike lane and facility striping
- k. Bicycle racks
- l. Street signs
- m. Stop signs

**Section 1.4.2 Improvements to be maintained by the Project Community Association**

The following infrastructure improvements will be maintained by the Project Community Association. (The Project Community Association will be a project-wide association of Sunnydale HOPE SF Master Infrastructure Plan

property owners and occupants.) Prior to the Association's acceptance of maintenance responsibility, the Developer or its Assignees will be responsible for maintenance. These infrastructure improvements are not owned by the City and County of San Francisco.

- New street and utility infrastructure that has been constructed but not yet accepted by the City or utility agencies may be transferred from the Developer to the Project Community Association.
- Street trees and tree wells and irrigation systems located within the public right of way shall be maintained by the adjacent property owner, unless City legislation currently pending is enacted that transfers the maintenance responsibility to the City.
- Pedestrian and bicycle paths that are located on private property but are publicly accessible, such as the path located between Blocks 32 and 33 leading from Blythdale Avenue to Velasco Street, and the paths that are located within the open space blocks described in Section 8:
  - The open spaces in Blocks 2, 4, 25 and 30.
  - Art and seating in bulb outs or other public right of way areas not accepted by the City for maintenance
  - Special paving not accepted by the City for maintenance

#### **1.5 Property Acquisition, Dedication and Easements**

The mapping, street vacations, property acquisition, and dedication and acceptance of streets and other infrastructure improvements will be accomplished through the Subdivision Mapping process. Except as otherwise noted, the infrastructure described in the MIP will be constructed in the public rights of way or in dedicated easement areas to provide City and utility company access for maintenance of infrastructure facilities. Private utility facilities located in the public right of way as designated and authorized by the California Public Utilities Commission and San Francisco Public Utilities Commission will also be installed in accordance with the standards of the utility companies providing service.

#### **1.6 Project Datum**

All elevations referred to herein are based on the City of San Francisco datum. All horizontal and vertical measurements shall refer to CCSF-13.

#### **1.7 Conformance with EIR/EIS and Entitlements**

The MIP has been developed to be consistent with the Mitigation Monitoring and Reporting Program ("MMRP") required as a result of the joint Environmental Impact



Report/Environmental Impact Statement ("EIR/EIS") for the Project, and other land use entitlement documents. Regardless of whether specifically included in the MIP, the mitigation measures described in the MMRP shall apply to the Project.

#### **1.8 Applicability of Uniform Codes and Infrastructure Standards**

Future modifications of the MIP and/or City standards, guidelines and codes that affect the Project are subject to the requirements of the DA.

#### **1.9 Project Phasing**

The Project will be developed in phases to accommodate the relocation of existing households at the Project Site and the City's flow of funds and budget for the Project. Each phase will involve demolition of existing conditions and the construction of new infrastructure and public rights of way, and housing in one or more parcels or Blocks, as such Blocks are shown in Figure 7.2. The development of the infill lot at the southeast corner of Hahn Street and Sunnydale Avenue will not require housing unit demolition.

Some phases will also include the construction of publicly accessible open spaces (Blocks 2, 4, 25 and 30) and neighborhood serving facilities, including a stand-alone community center at Block 1.

Figures 1.2 and 1.3 illustrate the phased demolition and construction of the Project. The phasing sequence is proposed as follows: 1A-1, 1A-2, 1A-3, 1B, 1C, 2A, 2B, 2C, 3A, 3B, and 3C. Phases may be combined or developed concurrently.

For each phase, the Developer will relocate any remaining existing residents from the phase area, abate any hazardous materials in the structures or soil, and demolish the existing units and infrastructure. The Developer will coordinate the demolition so that the areas of the Project Site that continue to provide housing to existing households do not experience a disruption to their utility services, transportation service or street access to their housing.

The Developer will construct new utilities and streets to serve the phase and its future users and occupants, as well as future phases and applicable existing occupants. The Developer will connect new infrastructure in the phase to existing infrastructure for the remainder of the Project Site. Repairs or modifications of existing infrastructure facilities as necessary to facilitate this connection will be designed by the Developer based on existing infrastructure information from the City and utility agencies. Each phase shall be self-sustaining, full, complete and functional. Constructed phases may not rely on future phases in order to fully function.

At all phases of development prior to the full build out of the Project, the Developer shall demonstrate to SFPUC that a functioning water and wastewater infrastructure system is in place at all times and complies with applicable federal, State and City laws. In addition, the Developer is responsible for maintaining a safe flow path for the 100-year storm at all times during development of the Project. The SFPUC shall review the adequacy of the flow path for the 100-year storm for full build out as well as all phases prior to the full build out. The Developer is responsible for providing and maintaining any temporary infrastructure that is necessary to provide functional service to any phase of development prior to full build out. The SFPUC is not obligated to accept or operate temporary infrastructure; however, in certain circumstances the SFPUC may elect to operate temporarily utilities (not at SFPUC's expense) if the temporary infrastructure is needed to serve existing customers.

**SUNNYDALE HOPE SF PHASING DIAGRAM-DEMOLITION**  
 SAN FRANCISCO, CA (ORDINANCE 22, 2016) HEBREW HOUSEHOLD, THE HEAVEN DWELLERS OF CALIFORNIA

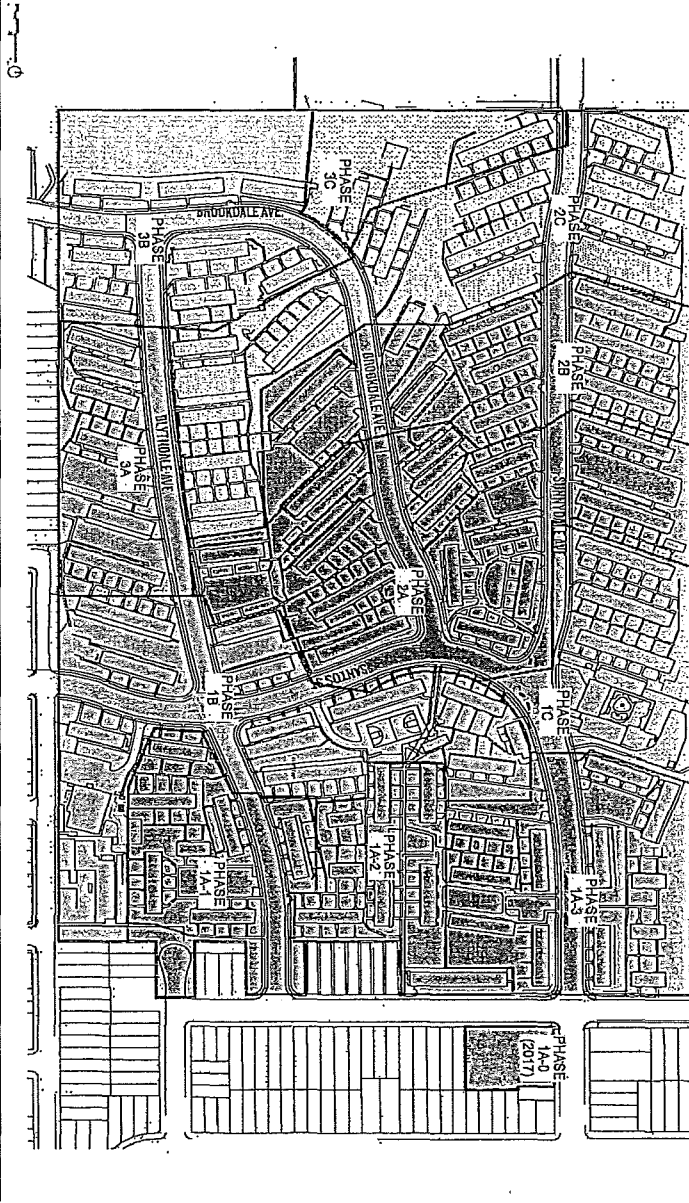


Figure 1.2.

**SUNNYDALE HOPE SF PHASING DIAGRAM-CONSTRUCTION**

SAN FRANCISCO, CA (OCTOBER 26, 2016) - MERCURY POLLARDCORP, THE RELATED COMPANIES OF CALIFORNIA.

**YAN METER**  
 MERCURY-POLLARDCORP  
 RELATED COMPANIES

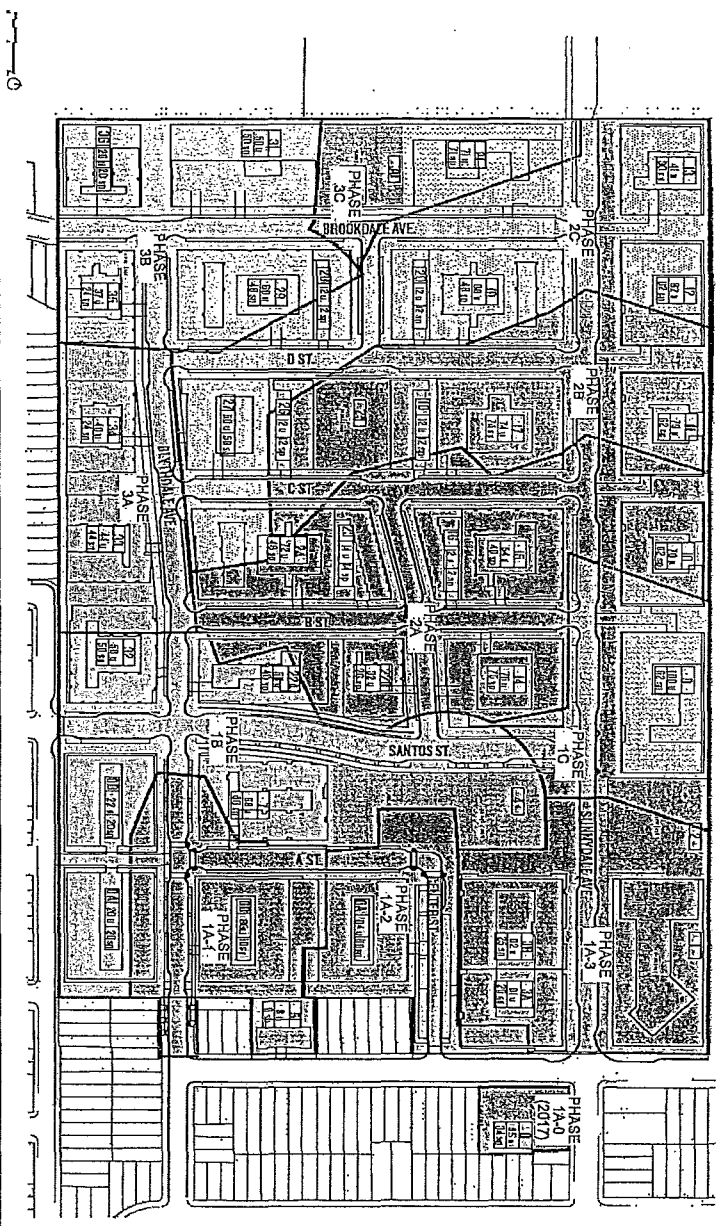


Figure 1.3.

Sunnydale HOPE SF Master Infrastructure Plan

As described in more detail in Section 9, the Project as a whole, and at the completion of each phase, will include the construction of stormwater management infrastructure to comply with SFPUC and SFDPW requirements and the City's Stormwater Design Guidelines. Housing parcels, as well as open space and the community center parcels, will include individual stormwater control plans for each parcel, which will be reviewed as part of the building permit application process for the parcel. The new public rights of way will include green stormwater infrastructure ("GSI") in a combination of bio-retention areas and permeable paving. The stormwater management controls for the public rights of way within a phase may not meet SFPUC requirements for volume and rate reduction for the public rights of way within that phase, but cumulatively, with all previous phases taken together, the Project's public rights of way will meet the SFPUC requirement. Upon submittal of an application for each phase (a "Phase Application"), the Developer will submit the GSI plans for the public rights of way in the phase, showing how the GSI will meet SFPUC requirements, along with Developer's tracking of progress of all phases to date toward the SFPUC requirements for the public rights of way.

As described in more detail in Section 14, the Project as a whole, and at the completion of each phase, will include the construction of a new joint trench system delivering gas, electric (including streetlights), and communications services to the Project to comply with the requirements of the SFPUC, as the electrical utility, of PG&E, as the gas service provider, of private utilities (Comcast and AT&T) as communications service providers, and of the City's emergency communications system. Upon submittal of an application for each phase (a "Phase Application"), the Developer will submit joint trench and, where required, streetlight distribution, plans showing how these new utility services will meet the applicable requirements for that phase of development, as well as how utility services will continue to be provided to all existing buildings remaining occupied within the Project.

#### **1.9.1 Phase Application Process**

For each phase, the Developer will submit a Phase Application to the City as described in the DA. Phase Applications will include a description of the scope of the phase, including the infrastructure to be constructed and how it ties back to the existing infrastructure for the portion of the Project Site that is not yet developed. The infrastructure includes streets, utilities, and transportation network. The improvements are to correspond with the proposed subdivision map for the Phase.

The Phase Application, once reviewed by the Planning Department, will be followed by construction document submittals ("Street Improvement Plans") for the infrastructure in the phase. These Street Improvement Plans will be submitted to the City agencies for review at 30%, 60% and 90% completion, and at 100% completion for issuance of a permit by DPW.

The Developer and the City agree that the Developer may proceed with Phase Applications according to the phases described herein. The Developer, with approval from the City, may revise the project phasing if needed.

#### **1.10 Mapping, Street Vacation and Street Dedication Approach**

The Project Site is 50 acres, and the total construction, which will occur in multiple phases, is anticipated to last 12-20 years. The mapping, street vacation and street dedication processes for the Project are proposed to enable the phasing of the demolition, construction and acceptance of infrastructure improvements. The Developer will prepare and submit a master street vacation application to vacate public rights of way ("ROW") under a "conditioned vacation" approach in which rights of way in a phase would be officially vacated only at the satisfaction of the City's conditions and subject to alternative streets being available as determined by the DPW Director. A Street Vacation and Street Dedication Ordinance that covers the entire Project Site will be recorded, but no ROWs or street improvements will be vacated or dedicated until a Final Map is recorded and improvements are built within the limits of a particular portion of the phase of development covered by that Final Map. The Developer's Phase Application to the City for any given phase will describe the streets to be vacated in that phase. As required by State and City law, all street vacations will occur only after City departmental review and notice and after satisfaction of the statutory conditions that enable the Board of Supervisors to approve the street vacation.

Prior to or concurrent with the master street vacation application, the Developer plans to submit an application for a master Tentative Map for the entire Project Site to DPW. The Tentative Map will show the design improvements and new streets, final parcelization, and entitle the homeownership units (condominiums). There is no offer of dedication given at the time that the Tentative Map is approved; this map is just a general conceptual design for approval of the development. The life of the Tentative Map will be extended by the City to 25 years, the term of the DA. Under Govt. Code Section 66452.6(a)(1) "a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement."

A Final Map will then be created for the area of each development phase. Then the streets will be constructed as shown on the Final Map for a development phase. Once construction is complete and the improvements inspected and determined satisfactory, the City can accept the public streets/easements. In order to be accepted, the entire street will have to be full, complete and functional prior to being considered for acceptance. The Offer of Dedication on the Final Map will not yet create a public street; that only occurs after

the improvements are built and the City formally accepts the improvements.

Since the existing buildings located within a phase will need to be demolished prior to the approval of a Final Map for a phase, the Department of Building and Inspection (DBI) will need to issue its approval for building demolition prior to the recording of the Final Map and DBI's issuance of the building permit for the new housing units in that phase.

## **Section 2 Sustainability**

Sustainable infrastructure is designed to facilitate the use of walking, biking and public transit as preferred forms of transportation, while reducing the use of resources such as water and energy. Key benefits of sustainable site design and infrastructure elements include improved health and a cleaner environment. For the Project, sustainable infrastructure includes stormwater management facilities (i.e. landscaped open space areas, landscape strips, flow-thru planters, bio-retention areas), infrastructure to support walking, biking and public transit, and energy-efficient outdoor lighting. Each of these elements is addressed in other chapters of the MIP.

Sustainable building designs will be addressed in the individual Phase Application and building permit application documents. The design of sustainable project elements within the public rights-of-way will be reviewed as part of the construction approval process of Street Improvement Plans for each phase of development. Refer to the Sunnydale HOPE SF Design Standards and Guidelines for specific sustainability controls.

## **Section 3 Environmental Remediation**

### **3.1 Summary of Previous Environmental Assessment**

The new infrastructure for the Project will be developed phase by phase in conjunction with each residential phase developed, as illustrated in the Phasing Plans in Figures 1.2 and 1.3. The requirements presented in this section may be subject to change if future federal, state, or local regulations are changed, or unforeseen site conditions warrant such modification of the requirements.

#### **3.1.1 Phase I Environmental Site Assessment**

A Phase I Environmental Site Assessment (Phase I ESA) was conducted in March and April 2010, covering the full Project Site. The Phase I ESA was conducted in conformance with the scope and limitations of ASTM Practice E 1527-05, and was performed to identify the potential presence of contamination due to current or historic land use at the Project Site that could have an adverse environmental impact on future land development. Results of the Phase I ESA are presented in the following report:

*"Final Phase I Environmental Site Assessment Report, 1654 Sunnydale Avenue Site, San Francisco, California"*, prepared by AEW Engineering, Inc. (AEW) and dated April 5, 2010 (Phase I ESA Report). This report was approved by the San Francisco Department of Public Health on August 4, 2010. Based on the information obtained, the following major findings and conclusions were presented in the Phase I ESA Report:

- The site was developed between 1935 and 1946. The adjacent properties primarily consist of a mixture of residential and commercial uses;
- The improvements on the site consist of 93 one- to two-story buildings containing 785 residential units, one office administration building, playgrounds, paved parking, and grass landscape;
- During the site reconnaissance, no adverse environmental condition (i.e. soil discoloration or staining) was observed;
- Due to the age of the buildings and their construction in the 1940s, it is anticipated that asbestos, polychlorinated biphenyls ("PCB") ballasts and capacitors, and lead based paint are likely present within the buildings;
- Again based on age of the buildings, the earlier coatings of exterior walls are likely to contain lead-based paints. Past painting of the exterior walls might have required removal of loose paint on the walls or sand-blasting to remove the old paint layers, which may impact the shallow soil around the buildings;
- According to the radon database maintained by California Department of Health Services (California DHS), five test results have been identified for sites located within the zip code of the proposed development area. One of the five findings recorded in the California DHS database exceeded 4.0 picocuries per liter of radon (Ca DHS 2009);
- The site is not recorded in any of the databases searched by Environmental Data Resources, Inc. ("EDR"); and

Based on the results of the database search, a total of five sites are identified that are located within a one-mile radius at higher or similar elevations as the Project Site, and are designated with "Open" environmental remediation status. A review of the available files from regulatory agencies concluded that the chemicals of concern associated at these five sites are not anticipated to pose adverse environmental impact to the subsurface environment at the Project Site.



The Phase I ESA recommended the following:

- Radon testing program is to be conducted on newly developed buildings prior to occupancy;
- A Phase II site investigation program is to be conducted to develop a general understanding of the chemical environment in subsurface soil and groundwater;
- A materials survey and assessment is to be conducted to identify any asbestos, PCBs (including electrical parts, equipment and transformer-related sources), lead based paint and other hazardous materials within the buildings and to evaluate the need and the extent, if any, of required hazardous material abatement.
- All planned construction activities are to be completed in compliance with appropriate local, state, and federal regulations, including those related to worker safety, waste management (including transportation and disposal), storm water management, and air emissions, such as dust and particulate matter (PM<sub>10</sub>).

### 3.1.2 Phase II Environmental Site Assessment, Initial Phase Site Development

A Phase II Environmental Site Assessment ("Phase II ESA") was conducted in the development area that consists of Phases 1A-1, 1A-2, 1A-3, 1B, and 1C (Phase 1 Area) in February 2011. The Phase II ESA has been conducted to address the site characterization recommendations described in the Phase I ESA Report for the Phase 1 Area. Results of the Phase II ESA are presented in the following report:

*"Phase II Environmental Site Assessment Report, 1654 Sunnydale Avenue Site, San Francisco, California"*, prepared by AEW and dated June 2011 (the Phase II ESA Report). This report was approved by SFDPH on June 17, 2011.

The Phase II ESA consisted of the following elements:

- Soil and grab groundwater sampling and analyses from soil borings; and
  - Shallow soil sampling and analyses around existing buildings.
- Subsurface Soil Samples from Soil Borings. Results of the subsurface soil analyses indicated that, with the exception of arsenic and vanadium, all tested analyses results were detected below their respective California Regional Quality Control Board San Francisco Region's Environmental Screening Level (ESL) as under residential scenario in Table A and California Environmental Protection Agency - California Human Health Screening Level (CHHSL) values. Based on the rationale presented in the Phase II ESA Report, it is believed that the detected concentrations of arsenic in soil are likely representative of background concentration of arsenic and vanadium at the Project Site.

Results of the chemical analyses, including leaching tests, indicated that none of the subsurface soil samples were reported to have concentrations above the respective California and federal hazardous criteria: California Total Threshold Limit Concentration (TTL) value, California Soluble Threshold Limit Concentration (STLC) value or the federal Toxicity Characteristic Leaching Procedure (TCLP) value. Therefore, the soil represented by these soil samples is considered as non-hazardous waste.

Shallow Soil Samples around Existing Buildings. Results of the subsurface soil analyses indicated that, with the exception of arsenic and vanadium, all tested analyses results were detected below their respective ESL values. Based on the rationale presented in the Phase II ESA Report, it is believed that both arsenic and vanadium are likely representative of background concentrations of arsenic and vanadium in soil.

Results of the chemical analyses including leaching tests indicated that none of the subsurface soil samples were reported to have concentrations above the respective California and federal hazardous criteria: TTL value, STLC value or the TCLP value. Therefore, the soil represented by these soil samples is considered as non-hazardous waste.

Based on the results of the Phase II ESA, the following were recommended:

- No site mitigation would be required for chemicals with detected concentrations in soil exceeding the ESLs for the reasons as stated above;
- The site development is to comply with the San Francisco Department of Public Health Article 22B Ordinance ("Article 22B") for dust mitigation during site construction. A dust mitigation plan including dust management and monitoring protocols shall be developed in compliance with the Article 22B requirements;
- To ensure the safety of personnel during construction, a health and safety program is to be developed and implemented to protect workers from exposure to chemicals above the applicable federal and state Occupational Safety and Health Administration's (OSHA) Permissible Exposure Limits (PELs). Such protocols should include personal protective equipment requirements, worker decontamination procedures, and air monitoring strategies to ensure that the workers are adequately protected; and
- A waste management and disposal plan for soil and dewatered groundwater, if any, is to be developed and implemented by the construction contractor to ensure compliance with proper waste classification in accordance with applicable regulations and waste acceptance requirement by the landfill facility and SFPUC for wastewater discharge.

### 3.1.3 Phase II 2016 Environmental, Phases 1, 2 and 3 Site Development

An environmental investigation was conducted in the development area that consists of Phase 1, Phase 2 and Phase 3 in March, 2016. The Phase II ESA has been conducted to perform a supplemental soil characterization on pesticides within the Phase 1 area, and to characterize subsurface soil and groundwater within the Phases 2 and 3 areas to establish general baseline conditions of chemical quality in the subsurface environment across the Phases 2 and 3 areas. Results of the Phase II ESA are presented in the following report:

*"Environmental Investigation Report, Phases 1, 2 and 3 Developments, Sunnydale Hope SF Project Site, San Francisco, California. Prepared by AEW and dated June 10, 2016. (The 2016 Report).*

The environmental investigation consisted of the following elements:

- Shallow soil sampling and analyses around existing buildings; and
- Soil and grab groundwater sampling and analyses from soil borings.

Phase I area supplemental characterization. Pesticides were reported at concentrations below the respective RSL, ESL, DTSC Screening Levels and CHHSLs. Results of the shallow soil samples collected from around existing building indicated that with the exception of arsenic, all metals results were below their Tier 1 ESLs and data criteria presented in the 2016 report. Based on the rationale presented in the 2016 report, arsenic, cobalt and nickel are not expected to pose a significant risk to humans and the environment.

Results of the chemical analyses including leaching tests indicated that none of the subsurface soil samples were reported to have concentration above the respective California and federal hazardous criteria: TTL value, STLC value or the TCLP value. Therefore, the soil represented by these soil samples is considered as non-hazardous waste.

Phase 2 and 3 Development Area. Results of samples collected from soil borings indicated that with the exception of arsenic, cobalt, and nickel, all metals results were below their Tier 1 ESLs and data criteria presented in the 2016 report. Based on the rationale presented in the 2016 report, arsenic, cobalt and nickel are not expected to pose a significant risk to humans and the environment.

Results of the chemical analyses including leaching tests indicated that none of the soil samples collected from the soil borings were reported to have concentrations above the respective California and federal hazardous criteria: TTL value, STLC value or the TCLP

value. Therefore, the soil represented by these soil samples is considered as non-hazardous waste.

As presented in the 2016 report, a groundwater sample was collected from boring ENGEO-6 at a depth of approximately 36 feet bgs. Elevated concentrations of TPH as diesel, TPH as motor oil and total metals were detected in the groundwater sample. The elevated levels in groundwater are likely due to these chemicals associated with colloidal particles or fine suspended solids; therefore, pretreatment of groundwater such as sedimentation prior to discharge to SFPUC's combined storm water and sewer system may likely be required to allow separation of the suspended solids, and is likely not to require chemical treatment. However, SFPUC will make the final determination on the discharge requirements including pretreatment during the review and approval of the batch wastewater discharge permit application.

Based on the results of the environmental investigation, the following were recommended:

- No site mitigation would be required on chemicals with detected concentrations in soil or groundwater exceeding the ESLs for the reasons as stated above and presented in the 2016 report;
- The site development will comply with the San Francisco Department of Public Health Article 22B Ordinance (Article 22B) for dust mitigation during site construction. A dust mitigation plan including dust management and monitoring protocols shall be developed in compliance with the Article 22B requirements;
- To ensure the safety of personnel during construction, a health and safety program would be developed and implemented to protect workers from exposures of chemicals above the applicable federal and state Occupational Safety and Health Administration's (OSHA) Permissible Exposure Limits (PELs). Such protocols should include, but not be limited to personal protective equipment requirements, worker decontamination procedures, and air monitoring strategies (as necessary) to ensure that the workers are adequately protected; and
- A waste management and disposal plan for soil and dewatered groundwater, if any, to be developed and implemented by the construction contractor to ensure compliance of proper waste classification by applicable regulations and waste acceptance requirement by the landfill facility for soil disposal and SFPUC for wastewater discharge to the combined storm water and sanitary sewer system.

#### **3.1.4. Asbestos, Lead Based Paint, and PCBs Surveys**

Asbestos and lead based paint surveys have been conducted at the Project Site for the San Francisco Housing Authority. At the time of this narrative preparation, the following surveys were known to have been prepared:

- "Asbestos Survey Report for Sunnydale San Francisco, Ca", prepared by SCA Environmental Inc., and dated October 1994;
- "Lead-Based Paint Inspection Report for the Sunnydale Development", prepared by Environmental Science & Engineering, Inc., and dated February 22, 1993;
- "Additional XRF Testing Results, Sunnydale Public Housing Development, Sunnydale Modernization Project, San Francisco, California", prepared by Environmental Science & Engineering, Inc., and dated November 21, 1994;
- "Risk Assessment Report Form", prepared by Housing Environmental Services, Inc., and dated February 7, 1994;
- "Lead Based Paint Survey Results for Sunnydale Public Housing Development", prepared by Environmental Science & Engineering, Inc., and dated March 27, 1997;
- "Work Plan for Lead-Based Paint Component Removal, San Francisco Housing Authority, Sunnydale Development", prepared by QST Environmental Inc., and dated January 21, 1998;
- "Report of Interior Window Lead-Based Paint Survey for Sunnydale Boys and Girls Club", prepared by QST Environmental Inc., and dated February 9, 1998;
- "Lead-Based Paint Risk Assessment Report for Sunnydale Child Care Center 1652 Sunnydale Street, San Francisco, Ca", prepared by QST Environmental Inc., and dated February 9, 1998;
- "Lead in Soil Samples Collected at Proposed Site for the Wu Yee Childcare at the Sunnydale Family Development", prepared by San Francisco Housing Authority on July 19, 1999; and
- "Summary Report: Lead-Based Paint Partial Survey Interior & Exterior of Residence at 170 Brookdale, San Francisco, CA", prepared by SCA Environmental, Inc., and dated November 8, 2001.

A review of the results of these investigations will be conducted to evaluate the adequacy of the results for developing the abatement requirement of asbestos and lead based paint. An asbestos, PCBs (including electrical parts, equipment and transformer-related sources), lead based paint and other hazardous materials survey and assessment within the buildings is to be conducted to evaluate the need and the extent, if any, of the hazardous material abatement. In addition, a mold survey shall be conducted at each building within a few months prior to the demolition of the respective buildings.

### **3.1.5 Naturally Occurring Asbestos**

Discussion on natural occurring asbestos at the site is presented in Section 5.2.6.

## **3.2 Regulatory Framework**

### **3.2.1 Lead Environmental Regulatory Agency**

The Developer entered the Project Site into Voluntary Remedial Action Program of the San Francisco Department of Public Health ("SFPDPH") in 2010, and as such SFPDPH is the lead environmental regulatory agency for the development. The case number at SFPDPH for this site is "EHS-HWU Case Number: 807".

### **3.2.2 Current Site Status**

SFPDPH reviewed the reports for the Phase I ESA and the Phase II ESA for the Phase 1 Development in 2010 and 2011, respectively. SFPDPH concurred with the findings and recommendations for both reports as follows:

- Phase I ESA Report: "Voluntary Remedial Action/Planning Review, Sunnydale HOPE SF Development", EHS-HWU Case Number 807, prepared by SFPDPH and dated August 4, 2010 (SFPDPH Phase I ESA Letter); and
- Phase II ESA Report: "1654 Sunnydale Hope Redevelopment Project", SMED Number 807, prepared by SFPDPH and dated June 17, 2011 (SFPDPH Phase II ESA Letter).

## **3.3 Future Regulatory Requirements for Master Infrastructure**

### **3.3.1 Phases 1A-1, 1A-2, 1A-3, 1B, and 1C Developments**

Based on this MIP, the future key environmental activities to be conducted for the Phases 1A-1, 1A-2, 1A-3, 1B, and 1C phases of development will include:

- Additional environmental characterization; and
- Compliance with site mitigation/remediation requirements.

#### **3.3.1.1 Additional Environmental Characterization**

Anticipated environmental characterization activities to be conducted for each phase will include, but not be limited to, the following:

- Subsurface Soil and Groundwater. Based on the anticipated extent and volume of soil to be disturbed (TBD Soil) during each phase of the development, an evaluation of the existing chemical information with respect to the TBD Soil will be conducted to identify

potential data gaps, if any, for characterizing TBD Soil for evaluating the potential options of (1) reuse on site, (2) disposal to a recycling facility, and (3) off-site disposal to permitted landfills. At the preparation of this narrative, the TBD Soil excavation is planned to be conducted above the groundwater level, and therefore groundwater dewatering is not anticipated. However, if the TBD Soil excavation is conducted to depths where groundwater is encountered, groundwater sampling and analyses will be conducted. If supplemental soil and groundwater characterizations are recommended, such characterization will involve the following key activities:

- Preparation of a work plan by the owner's environmental consultant presenting the supplemental soil and groundwater characterizations for Owner and SFDPH approval;
- Soil and groundwater sampling and analyses in accordance with the approved work plan; and
- Preparation of a report by the owner's environmental consultant presenting the results of the supplemental characterization and potential soil management/disposal options.
- Asbestos, Lead-Based Paint, PCBs, Mold, and Hazardous Materials in Buildings. A review of the results of previous asbestos and lead based paint surveys of the existing buildings shall be performed to evaluate the adequacy of the data for (1) identifying potential areas where asbestos and lead-based paint may be present, (2) estimating the extent of abatement required, and (3) developing the scope of work for the abatement. In addition, an evaluation shall be made of whether survey of other hazardous materials (such as polychlorinated biphenyls ballasts, equipment, and transformer related sources, mercury, and mold etc.) will be required for proper abatement prior to or during building demolition. If any additional survey is recommended, a work plan for performing such supplemental surveys will be prepared and implemented by the owner's hazardous material survey consultants. Results of the supplemental surveys and the previous surveys will be used for establishing the abatement requirement for hazardous materials in existing buildings.
- Radon Gas Survey. As stated in the SFDPH Phase II ESA Letter, SFDPH requires a soil vapor radon survey to be performed prior to construction by either the owner or the contractor. A radon soil vapor survey work plan will be prepared by owner's or contractor's environmental consultants for approval by SFDPH and for field implementation after receipt of approval from SFDPH.

### 3.3.1.2. Site Mitigation/Remediation

Based on the results of the environmental characterization described above, the following activities will be performed for the construction of the infrastructure for each phase of site development:

- Anticipated environmental characterization activities to be conducted for the infrastructure construction for each phase of development will include, but not be limited to, the following: Site Mitigation and Soil Management Plan Preparation. Prior to construction of each phase, a site mitigation and soil management plan will be prepared by the owner's environmental consultant and submitted for SFDPH approval. The site mitigation/soil management plan will include, but not be limited to, the following elements:
  - Site mitigation measures prior to construction;
  - Site mitigation measures during construction that include, but are not limited to the following:

Abatement plans and procedures, including confirmation sampling requirements for asbestos, lead-based paint, and hazardous waste materials for existing buildings prior to or during building demolition;

- Site remediation if hot spots are identified from supplemental site characterization;
- Soil management plan presenting the detailed plans and procedures for on-site soil reuse, and off-disposal to recycling facilities and/or California permitted landfills. The soil management plan shall include requirements to properly maintain stockpiles in the event that stockpiling of excavated soil will be required;
- Worker health and safety requirements, including preparation and implementation of an environmental health and safety plan for worker protection;
- Dust mitigation and monitoring plan, presenting dust mitigation procedures and monitoring plan, to be implemented in compliance with the SFDPH's Article 22B;
- Stormwater pollution prevention plan, describing the procedures to manage stormwater during construction in accordance with applicable federal, state, and local regulations;
- Noise control and mitigation plan for compliance with the San Francisco Noise Ordinance;



- Contingency response plan in the event that unforeseen or unexpected subsurface contaminations are found during construction; and
  - Mitigation measures for radon if required based on the results of the radon survey.
- Site mitigation measures after construction. The proposed plan for attaining site closure for each individual phase will be presented.
  - Site Mitigation and Soil Management Plan Implementation. Once the site mitigation and soil management plan for each phase is approved by SFDPH, it will be implemented by the contractors and project teams.
  - Preparation of the Completion Report. Upon completion of the infrastructure construction at each phase, a site completion report will be prepared by owner's environmental consultant for submittal to SFDPH. The completion report will include but not be limited to the following key elements:
    - o Environmental mitigation monitoring and reporting program implemented;
    - o Air/dust quality monitoring;
    - o Noise monitoring;
    - o Stormwater pollution prevention control and best management practices implemented; and
    - o Soil management and disposal.

### 3.3.2 Phases 2A, 2B, 2C, 3A, 3B, and 3C Developments

#### 3.3.2.1 Environmental Characterization

Anticipated activities to be conducted for environmental characterization of the infrastructure construction for each phase will include, but not limited to, the following:

- Subsurface Soil and Groundwater. Based on the anticipated extent and volume of soil to be disturbed (TBD Soil) during each phase of the development, an evaluation of the existing chemical information with respect to the TBD Soil will be conducted to identify potential data gaps, if any, for characterizing TBD Soil for evaluating the potential options of (1) reuse on site, (2) disposal to a recycling facility, and (3) off-site disposal to permitted landfills. The soil and groundwater characterization will involve similar key activities as those presented in Section 3.3.1.1.
- Asbestos, Lead-Based Paint, Mold, and Hazardous Materials in Buildings. A review of the results of previous asbestos and lead based paint surveys of the existing buildings

and hazardous material survey shall be performed for similar rationale and protocols as presented in Section 3.3.1.1; and

- *Radon Gas Survey.* A soil vapor radon survey will be conducted using similar protocols as described in Section 3.3.1.1.

### **3.3.2.2 Site Mitigation/Remediation**

The site mitigation/remediation will be conducted using the same protocols as stated above for the Phases 1A-1, 1A-2, 1A-3, 1B, and 1C developments.

Prior to installation of any new sewer lines Developer will take samples of the sludge from the existing sewer lines, report the results to the City, and, if necessary, review with the City options for managing the transfer of contaminants to the new sewer line.

### **Section 4 Demolition**

The Developer will be responsible for the demolition and deconstruction of all existing buildings and infrastructure, except where utility agencies and/or City departments must perform this work due to regulatory issues. With each Phase Application, the Developer will prepare and submit plans for the scope of the demolition proposed, the hazardous materials abatement and disposal plan, if applicable, and plans to maintain or support the existing infrastructure serving the remainder of the Project Site.

### **Section 5 Geotechnical Conditions**

In 2009, a preliminary geotechnical exploration was performed by ENGEO ("Geotechnical Report, Sunnysdale-Velasco Redevelopment, San Francisco, CA. dated July 24, 2009"). In 2016, a design level geotechnical field exploration was initiated by ENGEO to provide geotechnical conclusions and recommendations for both the planned infrastructure associated with the full development of the Project, as well as the specific development of the initial two phases of development. Both 2009 and 2016 studies by ENGEO are herein referred as the "Geotechnical Report".

#### **5.1 Site Geotechnical Conditions**

Based on the Geotechnical Report, the soil profile is determined to generally consist of silty and clayey sand soil deposits with interbedded layers of sandy clay. The soil deposits are underlain at relatively shallow depths by a bedrock unit. The soils showed variable in-situ consistency and/or density based on the borings performed. The local soil conditions are described in more detail as follows:

- East of Santos Street, the uppermost one to five feet of soil is very loose to loose silty sand. West of Santos Street, the uppermost soils are medium dense to dense clayey or silty sand and stiff to hard sandy clay. In some locations, a soft to medium dense

clayey layer was encountered to approximately four feet below the ground surface (bgs). Medium dense to loose silty sand was encountered at about five feet below the ground surface in the northeast corner of the site.

- Undocumented fill material was encountered at the southeast of Blythdale Avenue and Santos Street, extending to roughly 18 feet below the ground surface. The fill material was clayey and contained rock fragments as well as debris. The consistency of the fill was highly variable, from loose to hard. Based on review of historic aerial photographs, the location appears to align with a previous drainage channel which was backfilled prior to the development of the project site. The west central portion of the site was developed on an east-west trending ridge.
- West of Santos Street, the development along Brookdale Avenue and Blythdale Avenue is underlain by relatively shallow bedrock at about 5 to 15 feet below the ground surface. The depth to bedrock increases significantly on the north side of the site along Sunnydale Avenue and along the southern limits of the property. East of Santos Avenue, bedrock was found in borings south of Blythdale Avenue but no bedrock was encountered in borings drilled east of Santos Avenue. Bedrock is extremely weak to very weak, very closely fractured to crushed, highly weathered and sheared claystone, siltstone and sandstone of the Franciscan Complex.

## **5.2 Geotechnical Constraints and Site Improvements Required**

From a geotechnical perspective, the following are the primary issues for site improvements at the Project:

### **5.2.1 Loose Surface Soil**

The upper one to five feet of soil is generally loose to medium dense in consistency. To reduce the potential for adverse settlement or stability problems within the proposed building footprints, the loose surface soil should be removed and replaced with engineered fill. Soil materials free of deleterious debris may be placed on site as engineered fill.

### **5.2.2 Liquefaction**

Liquefaction of loose and medium dense material below the groundwater could cause settlement. Interlayering of potentially liquefiable layers were encountered at various locations of the site at depths of greater than 10 feet below the existing ground surface. In general, liquefaction settlements of less than 2 inches were estimated using a peak ground acceleration recommended by the Building Code and a historic highest groundwater level, which is shallower than the observed groundwater levels during previous exploration programs. Therefore, we expect this estimate, while in conformance with the code requirements, is conservative. To minimize impact, future improvements should be designed to tolerate these movements.

### **5.2.3 Seismically Induced Densification**

Densification of loose sand above the groundwater level during earthquake shaking could cause settlement of the ground surface. Loose layers of silty sand susceptible to this type of densification were encountered on the site. Over-excavation of these soils during the site grading can reduce the potential for earthquake-induced densification within the development envelope.

### **5.2.4 Soil Creep**

The current site layout includes steep graded slopes between the existing building pads. If steep engineered slopes are considered in the new development plans, the potential for adverse impacts from soil creep can be minimized by a combination of benching through the surficial soil during fill placement, soil compaction, foundation selection and structure setbacks.

### **5.2.5 Seismically Induced Landsliding**

As with most hillside developments, landslides and slope stability are important issues for the Project. Portions adjacent to the western side of the site area are located within State of California Seismic Hazard Zones for areas that may be susceptible to seismically induced landsliding. The areas mapped as having the potential for seismically induced landsliding appear to consist of the steeper existing slopes. Seismically induced landsliding can generally be mitigated through proper slope design and grading procedures. Mitigation measures for this project will include re-grading of existing slopes and construction of proposed fill slopes with keyways, sub-drainage and engineered fill.

### **5.2.6 Bedrock Rippability and Suitability**

Bedrock was exposed in the west-central portion of the site at depths ranging from 5 to 15 feet below the existing grade. If significant engineered cuts are planned that could encounter bedrock, it will likely be possible to rip most of the bedrock material with heavy duty grading equipment. Localized lenses of massive hard rock could be exposed that require laborious trenching efforts and may necessitate the use of excavators equipped with single-tooth ripping hooks or hydraulic hammers. Depending on the phasing of construction, it may be preferable to over-excavate bedrock in areas of proposed trenching during grading when more effective and powerful equipment is available.

### **5.2.7 Naturally Occurring Asbestos**

The Franciscan Complex bedrock has been found underlying the site. The Franciscan Complex mapped in San Francisco can include serpentinite, which contains the fibrous mineral chrysotile, considered an asbestos mineral. Serpentinite was not encountered during the geotechnical exploration and no veinlets of chrysotile were observed in bedrock outcrops during a geologic reconnaissance of the site. Laboratory testing of selected soil samples did not detect asbestos-containing material. Care should be taken during site grading and development to check that naturally-occurring asbestos is not exposed or

incorporated into the engineered fill used at the site.

### **5.3 Design of Infrastructure Improvements; Site Geotechnical Approach**

Successful site development will require engineering design and project construction methods to address the existing soil and bedrock conditions. The geotechnical corrective grading measures can improve the long-term performance of the infrastructure, building foundations and engineered slopes during seismic events.

To reduce the potential for settlement at the site, the shallow loose soil should be over-excavated and replaced with engineered fill. The deeper loose soil that cannot be practically removed and replaced shall require site improvements that are to be design to tolerate the settlement or be remediated with soil improvements per the recommendations of the Geotechnical Engineer. Recommendations for site grading are provided in the Geotechnical Report. Once final grading plans are available, more specific corrective grading procedures will be provided, including the location of keyways, sub-drains, and sub-excavation areas.

Geotechnical remediation will be completed in conjunction with the site grading and infrastructure construction by the Developer.

### **5.4 Design of Building Foundations**

Building foundation designs will be based on the recommendations in the Geotechnical Report, review of the site grading and development plans, and the structural designs developed as part of the permitting process for vertical construction. The Developer or subsequent owner of a development parcel will be responsible for the design and construction of building foundations.

### **5.5 Design of Stormwater Control Plans**

The Geotechnical Report found that the hydraulic conductivity of the on-site soils is between approximately  $2 \times 10^{-5}$  centimeters per second (cm/s) and  $2 \times 10^{-4}$  cm/s. The majority of the site includes USDA classified group D soils that have a very slow infiltration rate when thoroughly wet. Thus, it is expected that most of the rainfall will be turn into run-off. Design of the storm water controls must provide for the rapid removal of the surface water runoff.

Design that causes ponding of water or seepage toward foundation systems at any time during or after construction must be prevented. Ponding of stormwater must not be permitted on the building pad during prolonged periods of inclement weather. As a minimum requirement, finished grades should provide a slope gradient at right angles away from exterior walls to allow surface water to drain positively away from the structure. Care should be exercised that landscape mounds and landscape features do not interfere with these requirements. Sufficient area drains should be provided around the buildings to

remove excess surface water. Stormwater from roof downspouts should be conveyed in closed drain systems to a solid pipe that discharges to the street or storm drains system.

#### **5.6 Phasing of Geotechnical Strategies**

Geotechnical corrective grading will likely occur in phases to match the development sequence of the Project. The extent of the sub-excavation under the proposed building footprints will be a function of the rigidity of the foundations prepared by the Developer of each parcel, as explained in the foundation design section of the Geotechnical Report. When the final grading plans are available, a sequential analysis of the anticipated grading issues associated with the development will be prepared. All grading and project development plans should be coordinated with the Geotechnical Engineer to address the need to mitigate known soil and geologic hazards, as necessary.

At the completion of the site grading, a Geotechnical Report will be prepared and submitted to the City as part of the building permit process with findings and recommendations to support the development of private building parcels.

### **Section 6 Site Grading**

#### **6.1 Existing Conditions**

The elevation change across the site is Elevation 177.4 feet, dropping from 250 feet above sea level at the western edge of the site to 72.6 feet at the eastern end of Blythdale, sloping down towards the Bay. Currently, the average grade change spanning from the highest point to the lowest point on the site is 9.8 percent.

The existing grade within the site slopes gradually downward from west to east. At the boundary edges, the site is bounded by and conforms to the existing grades along Hahn Street, Velasco Avenue, Brookdale Avenue, and Sunnydale Avenue.

#### **6.2 Project Grading Design**

It is estimated that fill as deep as or deeper than 10 feet is anticipated to achieve the future grades proposed in the Project plan. Proper compaction and moisture conditioning during fill placement per the Geotechnical Report should minimize future impacts. Appropriate measures, such as soil and foundation improvements, will be constructed by the Developer to minimize differential settlement from seismic induced deformation across the building parcels. The grading and building designs will incorporate measures to provide uniform performance across the building and improvements to allow for continuous accessible paths of travel to be maintained at building access points and where private passageways interface with the public right-of-way. A design level Geotechnical Report will be prepared to address mitigations as part of the Site Wide Grading and Overland Release Plan approval process for review and approval by the City for phased build-out of the public rights-of-way and open spaces.

### **6.3 Site Grading Design**

The Developer will be responsible for the design and construction of the proposed grading plan for the Project. Proposed grading designs for the development will match the existing north to south drainage pattern of the existing site. To ensure proper overland release and provide Americans with Disabilities Act ("ADA") accessible pathways throughout and adjacent to the site, a new street grid with interconnected open space and pathway areas will be constructed to 5 percent slopes where possible, providing a high level of accessibility throughout the development. As required due to site constraints, privately-owned publicly-accessible open spaces and public access areas with walkways at slopes exceeding 5 percent but less than 8.33 percent will include handrails per Code requirements. The conceptual grading plan for the Project Site is included in Figure 6.1.

#### **6.3.1 Proposed Site Grading at Conforms**

Conceptual grading designs generally conform to the existing grades along the southern edge of Velasco Avenue, the eastern edge of Hahn Street, and the western edge of the higher elevation ground. At the eastern boundary of the Project, new connection segments of the proposed Sunnydale Avenue and Blythdale Avenue will be constructed, requiring the placement of 1 to 5 feet of fill.

An accessibility strategy has been incorporated into the MIP, with the intent to have the site east of Santos Street graded to a 5 percent slope or less, with the exception of Blythdale Avenue. This includes the portion of Sunnydale Avenue east of Santos Street, Santos Street, and Future Street "B". In addition, a multipurpose path at the new Sunnydale Linear Open Space will provide accessibility up to the western property line. This path will feed the new north-south streets, also graded to less than 5 percent slopes where possible, providing a high level of accessibility throughout the development. See Figure 6.2 for the Project Accessibility Strategy.

Interim grading solutions to accommodate the development of each adjacent phase of development will be designed based on recommendations provided by the Project geotechnical and structural engineers.

As more detailed designs are developed during the site-wide grading and overland release master plan and Infrastructure Improvement Plan review processes of the Project, the grading at conforms may require adjustment and refinement based on future coordination with SFDPW.

#### **6.3.2 Proposed Roadway and Building Areas**

The proposed on-site street grid will be graded to provide overland release for the Project. As required by the SFPUC, grading and hydrology designs will be developed such that the 100-year storm is contained within the top of curb elevations of the streets.

Site development and grading designs will be developed to comply with the codified requirements for accessible paths of travel. Where feasible, proposed slopes along public streets and private alleys will be set at a maximum of 5 percent to provide ADA-accessible pathways of travel. See Figure 6.2 for the Project Accessibility Strategy.

At street intersections, grades will be tabled at a maximum slope of 2% to provide an accessible path of travel in crosswalks. In addition, vertical curves within the streets will be designed to both begin and end outside the limits of the crosswalk areas.

#### **6.4 Proposed Site Earthwork**

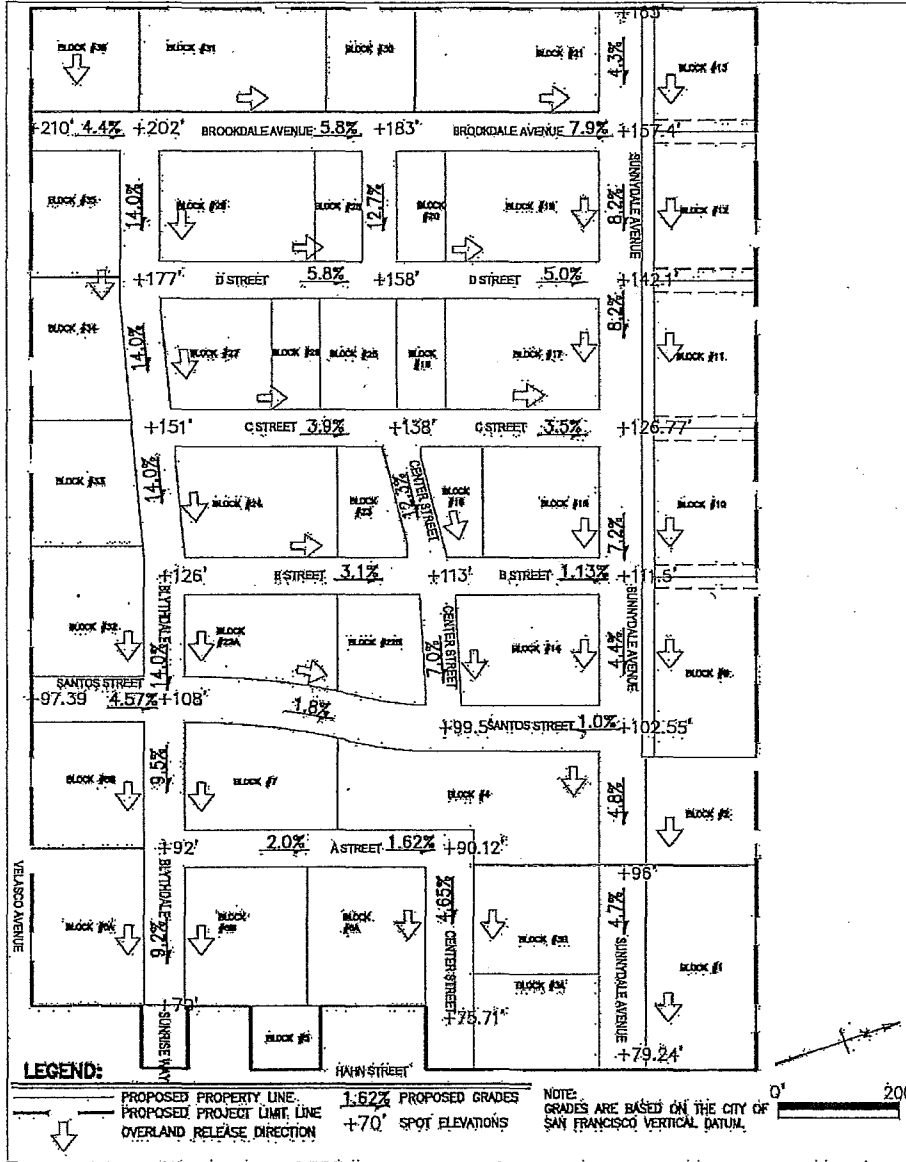
Future grading within the Project will include importing fill on the eastern side and fine grading of streets and open space areas. To support future grading activities, a Storm Water Pollution Prevention Plan/Erosion and Sediment Control Plan ("SWPPP") will be submitted in parallel with future grading permits. Grading in conjunction with site remediation efforts will be performed by the Developer.

#### **6.5 Phases of Grading Activities and Approvals**

The proposed grading will be completed in phases to match the phases of development within the Project. The amount of grading will be the minimum necessary for the development phase. The phasing of grading will allow the Project to minimize the disruption to the adjacent and future built uses at the site and to limit the amount of export required for any given development phase. Impacts to improvements installed with previous phases of development due to the designs of the new phase will be the responsibility of the Developer and addressed prior to approval of the construction drawings for the new development phase.

A Grading and Overland Release Master Plan and a Combined Sewer System Master Plan, addressing the full build-out of the public rights-of-way, will be submitted to be approved prior to the 30% Street Improvement Plans for the first phase of development.





SUNNYDALE HOPE SF | FIGURE 6.1 | CONCEPTUAL GRADING  
 Figure 6.1.

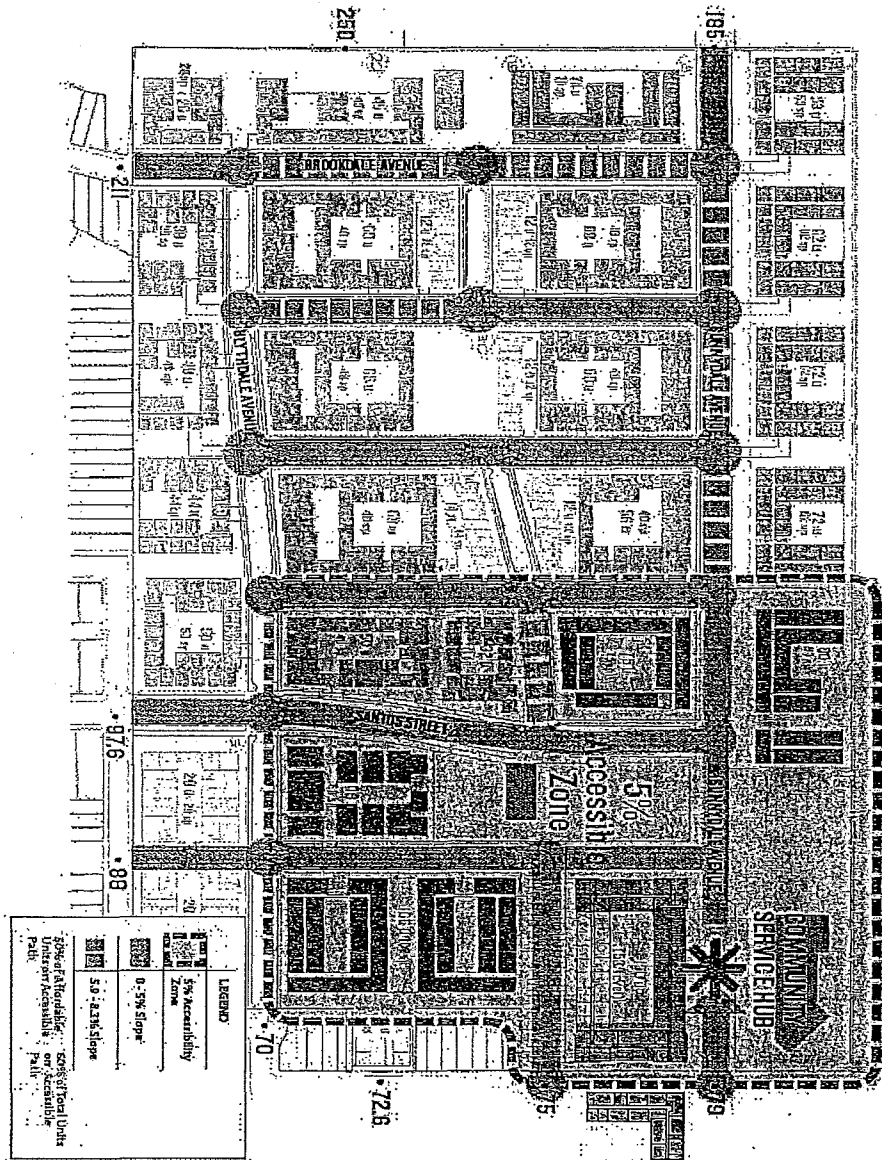


Figure 6.2. Proposed Accessibility Strategy

## **Section 7 Street Mobility and Circulation Designs**

### **7.1 Existing Conditions**

The Project Site currently has few access points to the immediate neighborhood, but upon exiting the Project Site connectivity to neighboring parts of the city is relatively good via car and public transportation. Existing Sunnydale streets are in an irregular street grid pattern, with few north-south connections. Streets are typically one driving lane in each direction.

#### **7.1.1 Vehicular Connections**

Within the larger neighborhood of Visitacion Valley two major streets provide access to two regional freeways and to other neighborhoods. Bayshore Boulevard forms the eastern border of the neighborhood and leads to the 101 freeway, the City of Brisbane to the south, and the Bayview neighborhood to the north. The MUNI T light rail line also runs on Bayshore Boulevard, terminating at Sunnydale Avenue.

Geneva Avenue is a major arterial that forms the southern border of the neighborhood, and is partially located in Daly City. Geneva Avenue leads to the Excelsior and Ocean Avenue neighborhoods and to Interstate 280.

# GENEVA-HARNEY BUS RAPID TRANSIT | PLAN BAY AREA 2040

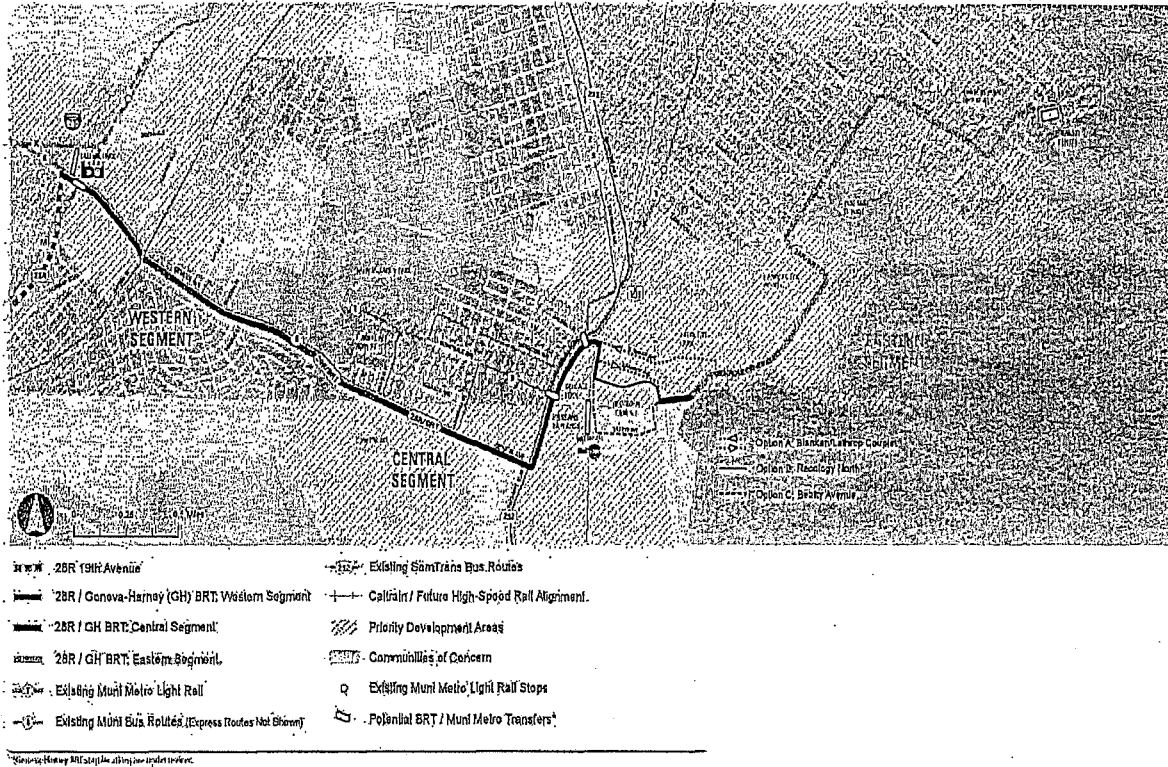


Figure 7.0

Sunnyvale HOPE SF Master Infrastructure Plan

### 7.1.2 Public Transportation System

Over 50% of current Sunnydale households do not have a car, therefore public transit is an important connector. The area is served by San Francisco's public transit MUNI lines 9, 8X, 8AX, 8BX, 56 and the T light rail, which take passengers to the Balboa BART station and to downtown. The MUNI lines 9 and 8X run through the Sunnydale development and new bus stops installed as part of the Project will be designed to be ADA accessible. In addition to MUNI service, the Caltrain Bayshore stop is located 1/4 mile east of Bayshore Boulevard at Tunnel Avenue. A pedestrian and bicycle "shortcut" to the Bayshore Caltrain Station extending east of Sunnydale Avenue is planned to provide more direct access from Visitacion Valley and the connecting buses to Caltrain.

Plans are also in study to convert Geneva Avenue from an auto-focused street into a multi-modal corridor with a Bus Rapid Transit ("BRT") line. Muni's 28R line will function as Bus Rapid Transit on Geneva Avenue, providing a frequent, rapid connection to BART, T Third, and Caltrain, and is expected to begin operation by 2023. The closest BRT stop will be at Santos and Geneva. Figure 7.0 illustrates the proposed BRT.

The SamTrans line 292 connects Sunnydale residents at Bayshore Boulevard to downtown San Francisco to the north and to San Mateo County cities to the south.

Disruptions to service and/or temporary re-routing of Transit lines will be coordinated with the SFMTA as phased documents are developed.

### 7.1.3 Pedestrian and Bicycle Connections

Sidewalks line all streets within Sunnydale, but few street trees, poor lighting and inadequate trash enclosures make walking unpleasant and occasionally dangerous. Narrow and non-ADA compliant concrete paths provide the main access to most units but do not connect through the development. There is no direct pedestrian connection to Herz Playground. There are no secure bicycle parking facilities in Sunnydale, and the nearest bike racks are located at the John McLaren School and Coffman Pool.

### 7.2 New and Reconfigured Street Network

As illustrated in Figures 7.1 and 7.2, the existing streets within the Project Site - Sunnydale Avenue, Santos Street, Brookdale Avenue and Blythdale Avenue - will be reconfigured with new streets and sidewalks. New north-south residential streets moving west from Santos will connect these four main streets, providing the infrastructure for the area. The new streets will be aligned in a grid, fronted by residential entries, in keeping with the surrounding neighborhood fabric. Although grade differential and the current development pattern provide few opportunities to connect to the existing neighborhood streets, pedestrian walkways are planned where possible and new view corridors will be opened to the golf course to the north. All new streets will be built per City of San Francisco

standards and offered for dedication to the City.

Santos Street, currently the only north-south vehicular connection through the site, will remain the principal transit street in the neighborhood, with reconfigured bus stops incorporating bus bulbs and 'NextBus' or similar technology. Pedestrian and bicycle connections will be strengthened through wide tree-lined sidewalks and marked bicycle lanes, linking Herz Playground to the new Community Center in Block 1 and the Neighborhood Green in Block 4, and continuing south to Geneva Avenue. The difficult 'Y' intersection at Sunnydale Avenue and Santos Street will be reconfigured into a 'T' to provide for greater pedestrian safety, and further traffic calming measures will be taken throughout the site. Brookdale Avenue will be re-aligned to connect Sunnydale Avenue in the north of the neighborhood through the site to Geneva Avenue to the south.

The City is planning a Green Connection from the Candlestick Recreation Area to the Project Site and McLaren Park, linking Leland Avenue, Hahn and Sunnydale Avenue. A Green Connection is a pedestrian and bike friendly street network that connects people to parks and open spaces with wildlife, improving people's access to the City's urban ecology. Building on this Green Connection, a new street at the center of the site, Center Street, will become the community spine. Center Street will be a smaller scale street that downplays its role as a movement corridor, and is, instead, part of an exceptional pedestrian circulation system. Wide, planted setbacks and generous street tree planters will create a park-like character connecting through the neighborhood starting at the Neighborhood Green in Block 4 to the Mid-Terrace Open Space in Block 25 and up to the Overlook Open Space in Block 30.

To meet SFPUC stormwater requirements, the Project has proposed permeable paving in the parking lanes and drive aisles in the public rights of way, which will be dedicated to the City and maintained by the City. The Developer will design and engineer the public rights of way with permeable paving, which SFPUC and SFDPW will review as part of the street improvement permit process for each phase of improvements. If in reviewing the street improvement permit plans for any phase of development the City determines that the permeable paving is not an acceptable surface within the drive aisles, parking lanes, or both, then the Project will use standard paving techniques and the Developer will not be responsible for managing the runoff that was intended to be managed by the permeable paving within the subject phase application; however other proposed stormwater management controls will continue be installed as described in the Infrastructure Plan. Determinations will be made on a phase-by-phase basis.

**A NEW SUNNYDALE HOPE SF MASTER INFRASTRUCTURE PLAN**  
 A COMMITMENT TO IMPROVING THE QUALITY OF LIFE AND THE ENVIRONMENT FOR ALL SUNNYDALE RESIDENTS

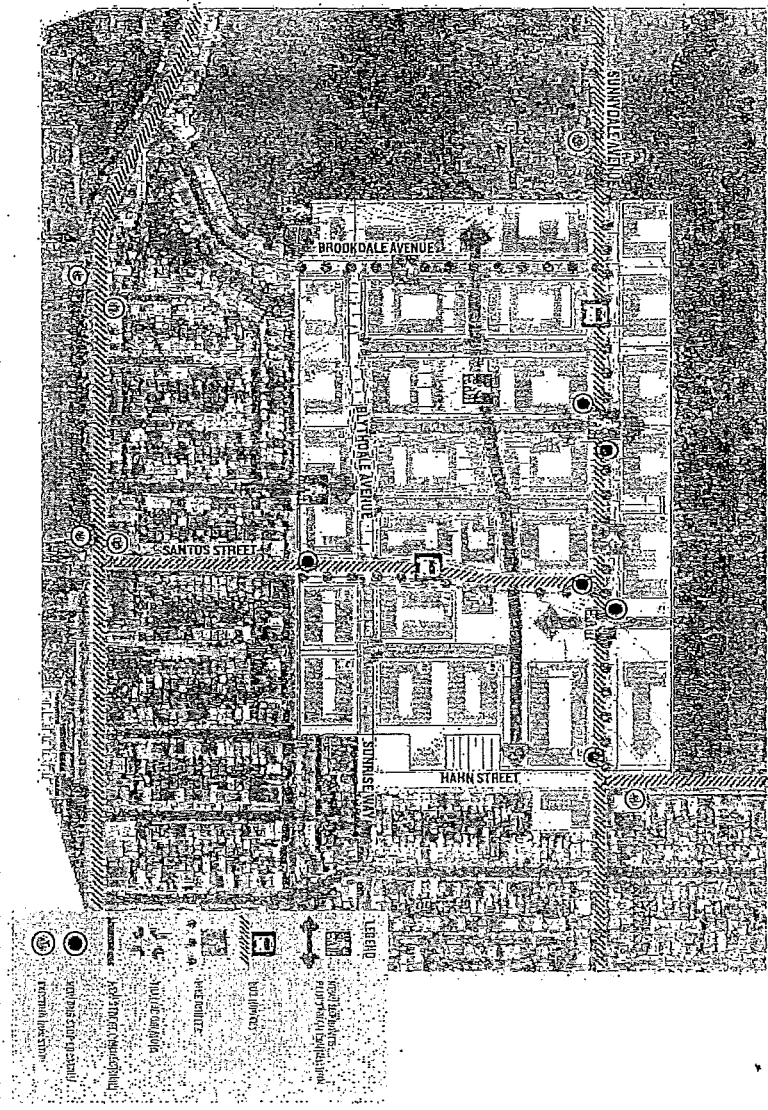
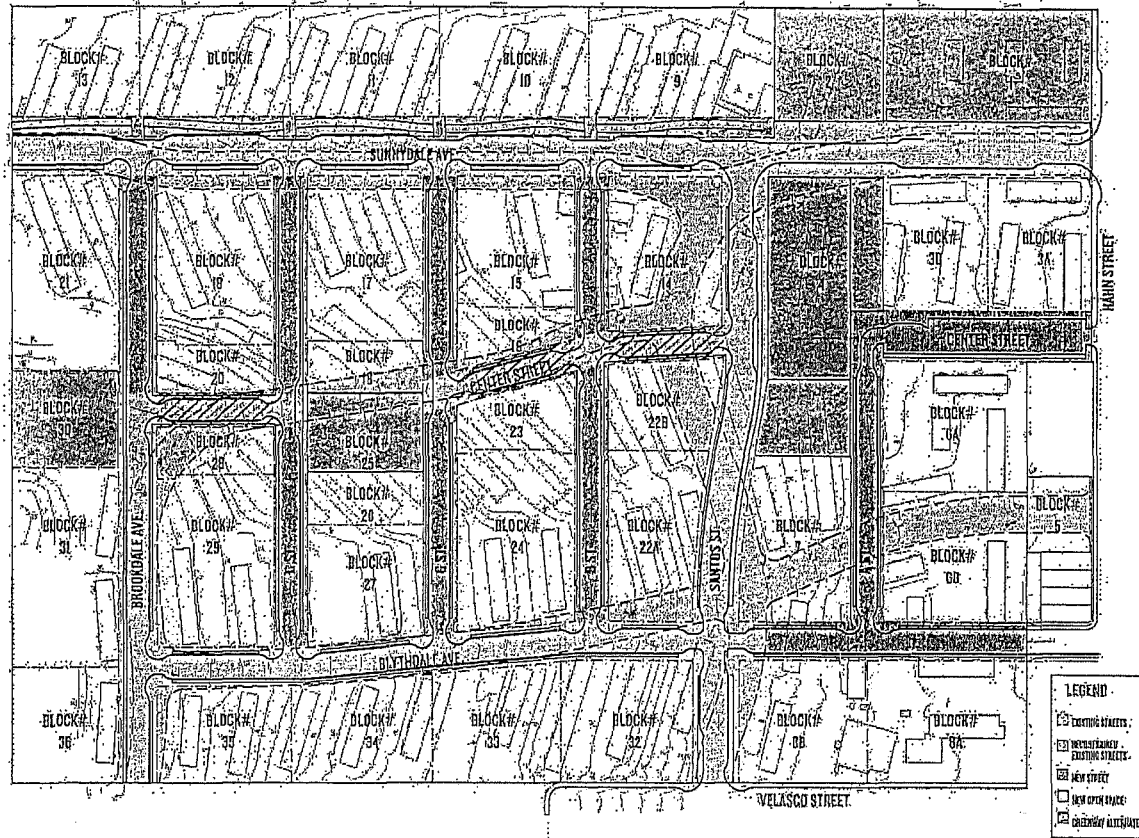


Figure 7.1.



**SUNNYDALE HOPE SF NEW AND RECONFIGURED STREETS DIAGRAM + PRELIMINARY PARCEL MAP**  
SAN FRANCISCO, CA | JUNE 17, 2015 | MERCURY HOUSING, THE RELATED COMPANIES OF CALIFORNIA

**YAN METER WILLIAMS**  
MERCURY HOUSING RELATED  
**POLLACK**

Figure 7.2.

Sunnydale HOPE SF Master Infrastructure Plan



### 7.3 Streetscape Design Considerations and Elements

The new and reconfigured streets of the Project will be designed to be safe and accommodating to all, with wide sidewalks, shade trees, and Bay views. The Design Standards and Guidelines below apply to all appropriate streets.

- Streets shall be provided at locations specified in Figure 7.3. All required streets must be through streets, with full access by the public at all times. Private drives or parking entries may not be substituted for required streets.
- Street design shall adhere to the standards contained in the Better Streets Plan and Subdivision Regulations.
- Street trees shall be planted approximately every 20-35 ft. along all public streets, acknowledging that actual tree spacing will be influenced by street character, lighting, tree species, lines of sight, utility clearances, building architecture, location of bioretention areas, and other factors.
- Major intersections, including all intersections at Sunnydale Avenue and Santos Street, shall be designed with corner bulb-outs to slow traffic and to decrease pedestrian crossing distances. If approved by affected City agencies, bulb-outs shall be planted with native and/or drought-tolerant plants, and offer seating areas and opportunities for installation of public art.
- Corner bulbs and sidewalk bulb-outs shall be designed consistent with SFDPW specifications, San Francisco Fire Department and SFMTA regulations, and the Subdivision Regulations.
- In addition to street lights, pedestrian-scaled streetlights shall be installed along all streets as supplemental lighting. All fixtures to be selected from SFPUC Catalogue.
- All utilities on new streets shall be located underground when applicable.
- Utility boxes, backflow devices, and other mechanical equipment shall be placed in unobtrusive locations or screened from view when possible and as approved by the City.
- Projections or obstructions into the public rights-of-way shall be limited to those permitted in the San Francisco Planning Code.

### 7.4 Street Sections

A system of street and parcel numbers has been created to facilitate planning and design coordination and is shown on Figure 7.3. Streets A through D and Center Street are temporary street names for planning use, with final street names to be selected in

the future. The proposed public street network for the Project is shown on Figure 7.6. Typical cross sections for these streets are included on Figures 7.7 and 7.8.

Typical vehicular travel lanes within streets handling two-way traffic are either 9 feet or 12 feet in width. Parking lanes will be 8 feet wide. Per the 2015 Subdivision code, that portion of a parking space having a width greater than 7 feet may be included in the calculation of the minimum operational width. Therefore 1 foot may be added to the 9 foot lanes, giving a 20 foot operational width as required; similarly, 1 foot may be added to the 12 foot lanes, providing a 26 foot operational width. These dimensions also comply with the utility separation requirements in the 2015 Subdivision Regulations. Street sections will be updated to include the AWSS, if needed, in accordance with Section 13 of this Master Infrastructure Plan.

Class II bike lanes are provided along Sunnydale Avenue, Brookdale Avenue, and Santos Street and will be 5 feet wide measured from face of curb to center line of lane striping.

Blue painted curbs will indicate accessible parking zones.

#### **7.5 Streetscape**

Streetscape Improvements within the public right-of-way generally include the following:

- Vehicular pavements. Permeable paving is to be considered per specific agreement between SFPUC and SFPDW.
- Accessible on-street parking spaces with adjacent curb ramps.
- Concrete curbs and gutters, concrete curb extensions, and bulb outs.
- Sidewalk concrete. Permeable and impervious.
- Sidewalk unit pavers. Permeable and impervious. Sidewalk unit pavers may be used on Sunnydale Avenue and Hahn Streets adjacent to Blocks 1 and 3. These special pavers may not be maintained by the City.
- Courtesy strips and curb ramps
- Bike lanes
- Traffic control signs and striping
- Street and pedestrian lighting
- Street trees
- Street planting

- Signage
- Irrigation systems
- Public Stormwater Management Improvements (including landscape strips acting as bio-retention areas and permeable pavements) per specific agreement between SFPUC and SFDPW.
- Street furnishings (including benches, trash/recycling receptacles, bike support facilities)

#### **7.5.1 Landscape, Sidewalk and Setback Zone Dimensions**

Dimensions of the landscape planting, and sidewalk adjacent to the vehicular travel ways vary throughout the site. Specific dimensions for these components are illustrated in the Prototypical Street Sections in Figures 7.7 through 7.10 and selected based on the land use, character and traffic conditions of each street.

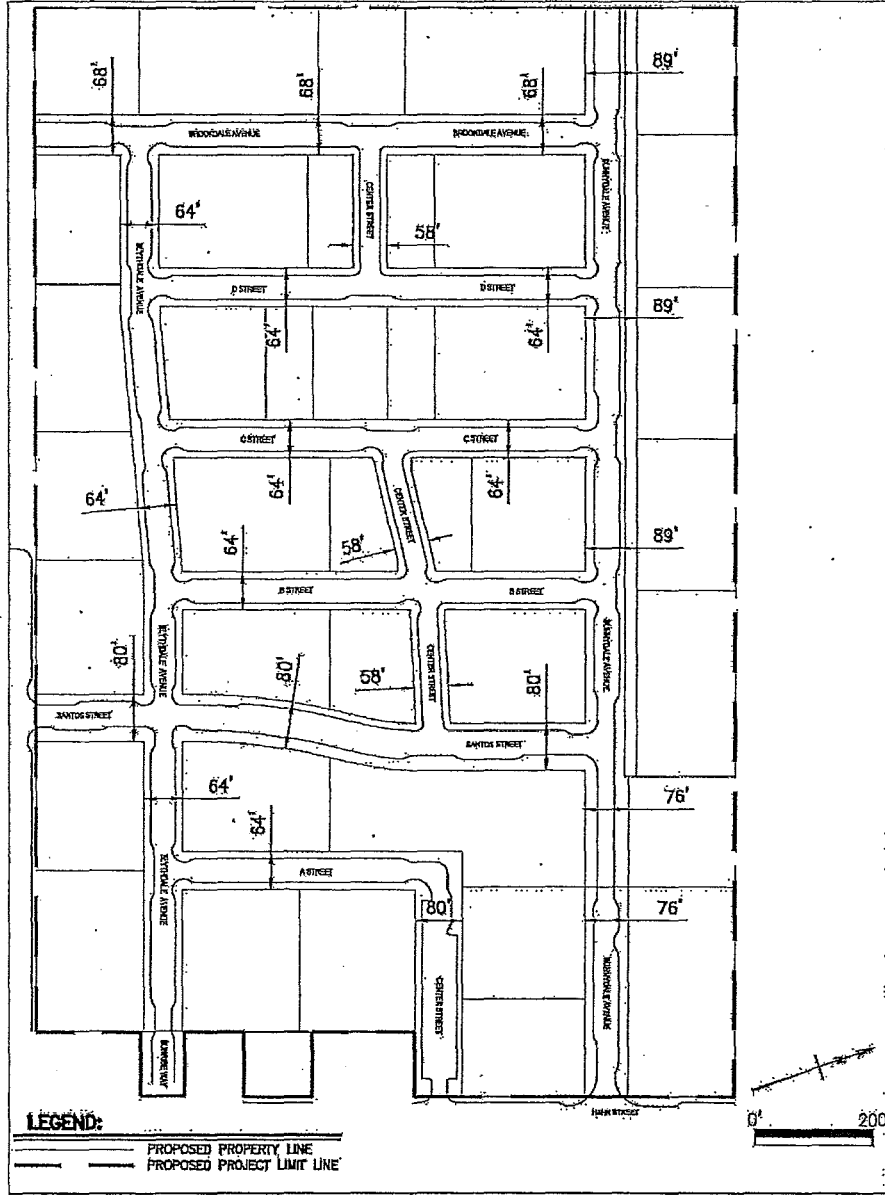


Figure 7.3.

### **7.5.2 Planting (in Public Right-of-Way)**

Planting within the right-of-way consists of street trees, shrubs, perennial grasses and groundcovers. If City legislation currently pending passes, maintenance of the street trees but not the other planting types will be the responsibility of the City. Tree plantings will be a mix of evergreen and deciduous, chosen to reinforce urban design concepts, provide a continuous canopy at streets, mark site entries, create distinct identity to streets and open spaces, provide variety and resiliency to disease. Shrubs and groundcovers will be chosen to provide an intermediate scale of detail and texture between trees and building at open spaces, streets and residential areas.

The Project includes extensive use of bio-retention basins for stormwater management in the public rights-of-way. A special palette of plant material will be used for these areas. Selected plants must be adaptable to the extremes of tolerating saturated soils for extended periods during the rainy season to dry conditions with limited supplemental irrigation during the dry season. Trees shall not be placed in stormwater management facilities where SFPUC is to assume maintenance responsibility or the facility is a SFPUC asset.

### **7.5.3 Irrigation**

A permanent irrigation system using a highly efficient weather based control system will be used at the Project. Hydrozones will be established to segregate plant materials with similar water requirements for irrigation valve layout. The system will be in conformance with the Water Efficient Irrigation Ordinance of the SF Administrative Code. Crossover of the irrigation system design under the roadways will not be allowed. The irrigation system will be designed so that the fronting property owners are able to maintain the irrigation system, or the Project Community Association will maintain the irrigation system.

### **7.6 Proposed Street Lights**

The Developer will design, layout and install the proposed Project street and pedestrian lights. Pedestrian-scale lighting will be considered supplemental. The street and pedestrian light poles and fixtures shall comply with the SFPUC Streetlight Design Guidelines and Requirements, and the final pole and fixture selection shall be approved by the SFPUC. Building mounted lights are recommended where buildings flank the pedestrian alleys or paths, but shall not be used to satisfy lighting requirements in the public right-of-way. As necessary, temporary pole light standards will illuminate any sidewalk or temporary pathways that are constructed to provide pedestrian access to the circulation paths before the adjacent buildings are complete and building mounted lights are operational. The lighting described in this section will be energy efficient. The electrical service for the street lights will be located in the joint trench. The street light construction documents will be submitted to the SFPUC for review, comment and approval prior to construction, in accordance with Section 15.

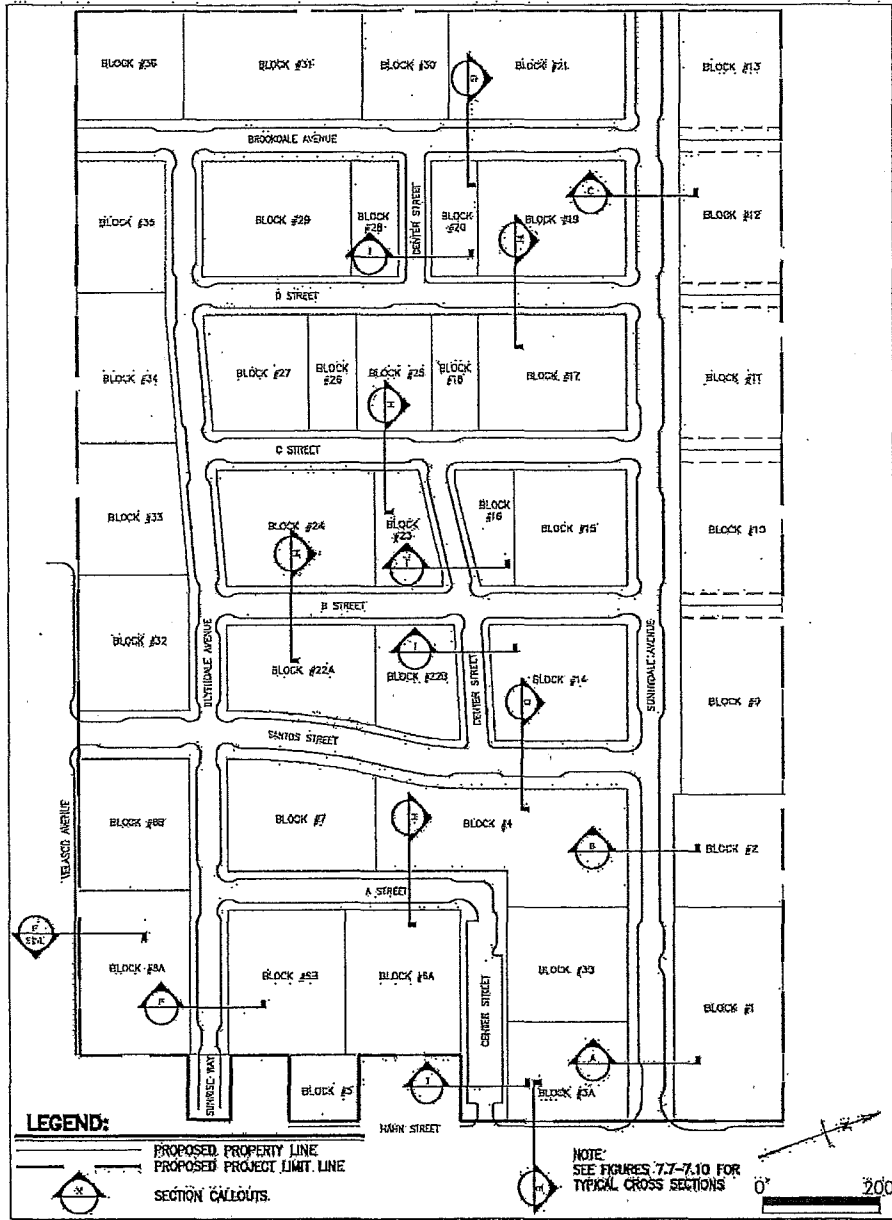
Fixtures and poles located within the public right-of-way will be dedicated to the City and owned, powered and maintained by SFPUC.

#### **7.7 Street Pavement Types and Locations**

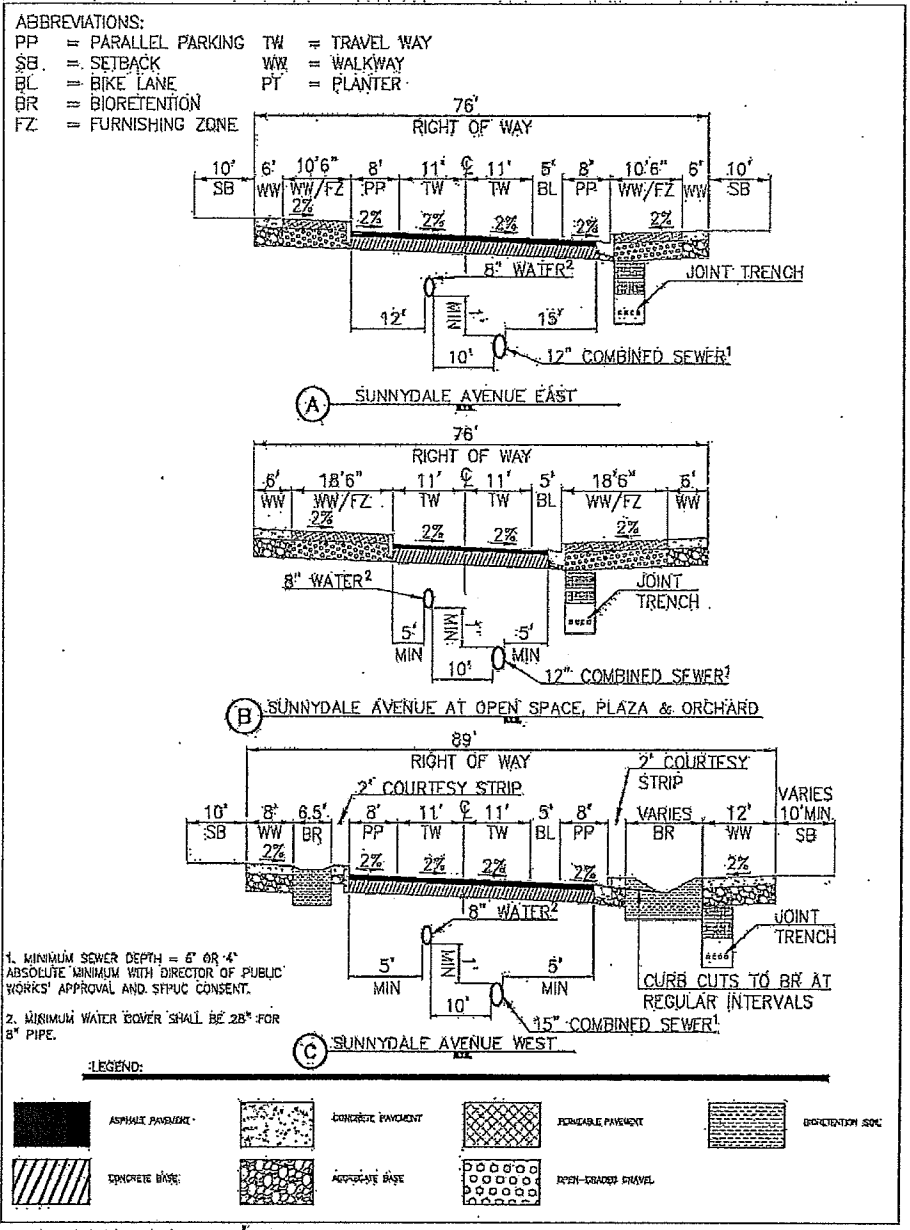
The structural pavement cross section for the vehicular travel lanes on all new public roadways will comply with the requirements of the San Francisco Subdivision Regulations unless otherwise approved by SFPDW. Vehicular travel way structural cross sections will typically consist of 9-inches of Portland Cement Concrete and a 3-inch asphalt concrete wearing surface for proposed on-site streets and shall be designed to the AASHTO rigid pavements design method using a 40-year design life. For Typical Street Cross Sections, see Figures 7.4 through 7.8.

Parallel parking stalls within the public right-of-way will be constructed with the same material as the roadway. Painted concrete special striping or other special decorative treatment, meeting accessibility requirements as determined by the SFPDW, may be used at intersection locations. Final special pavement designs will be submitted to SFPDW in the Street Improvement Plan for a development phase.

The use of alternative pavements in the public rights-of-way described above or other alternative pavement sections, such as asphalt concrete wearing surface over Class 2 aggregate base, permeable pavement, and decorative pavement (patterned concrete, patterned asphalt, paving stones, etc.) are subject to review and approval by SFPDW. Use of permeable paving surfaces is subject to review and approval by SFPDW and SFPUC. The Project Community Association will be responsible for maintenance and restoration of the pavement markings within areas with special striping or decorative treatments.

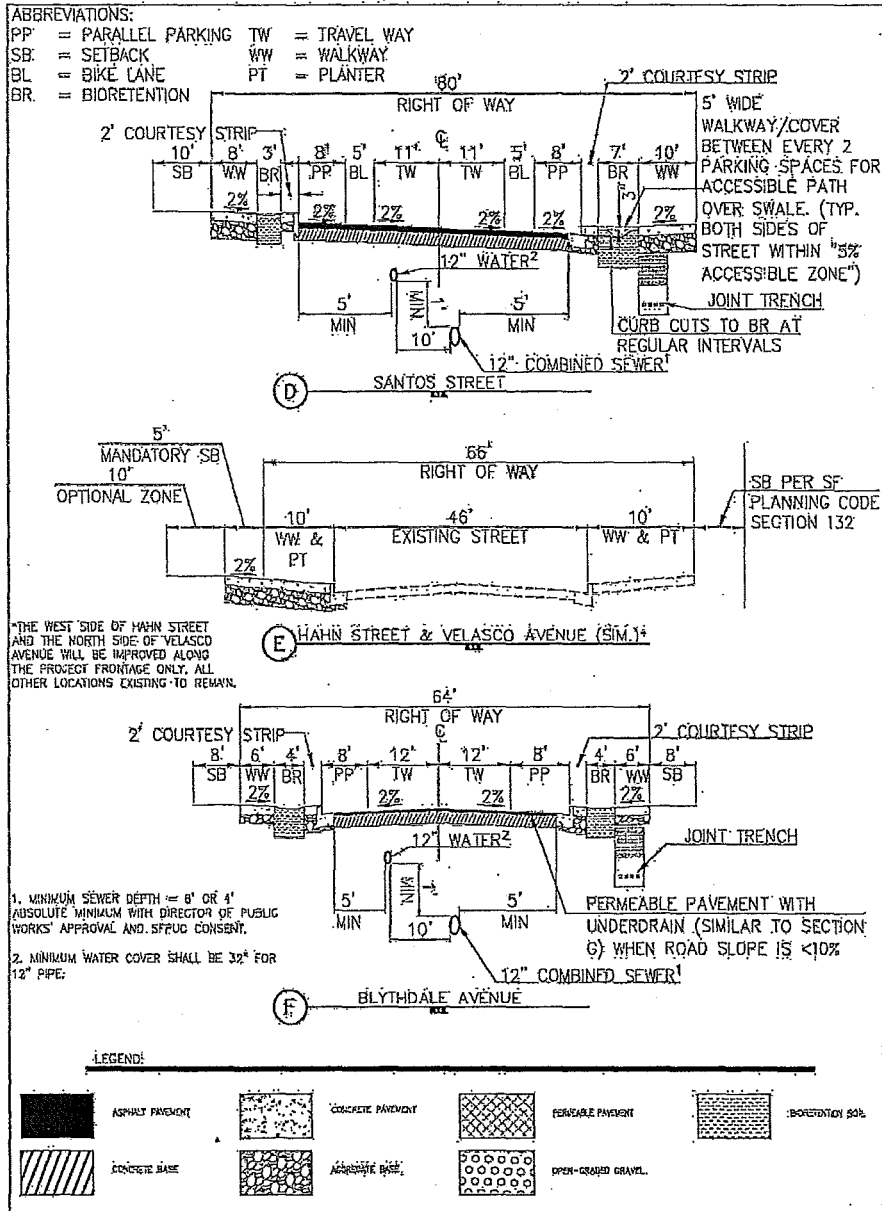


SUNNYDALE HOPE SF | FIGURE 7.4 PLAN VIEW & CROSS SECTION LOCATIONS  
Figure 7.4.



SUNNYDALE HOPE SF | FIGURE 7.5 TYPICAL STREET CROSS SECTIONS  
 Figure 7.5.

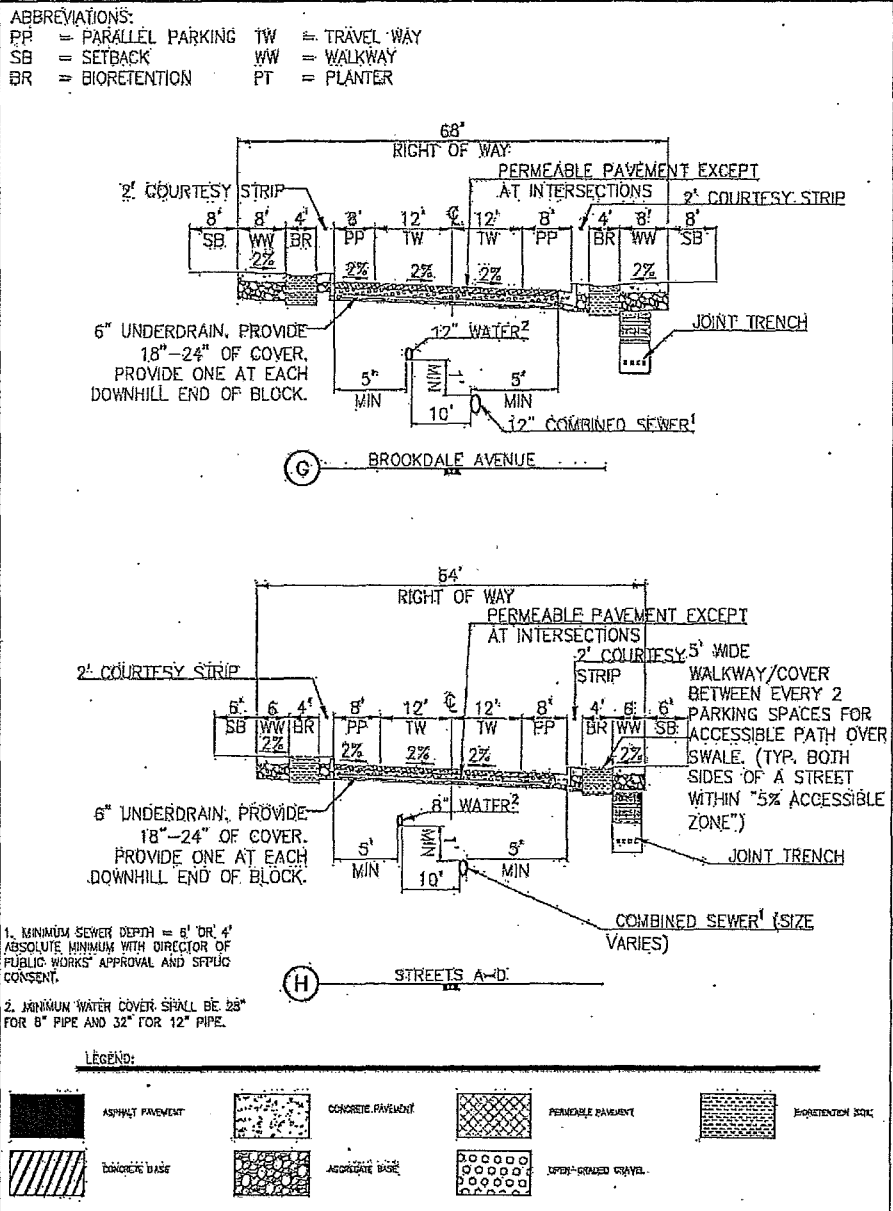




SUNNYDALE HOPE SF | FIGURE 7.6

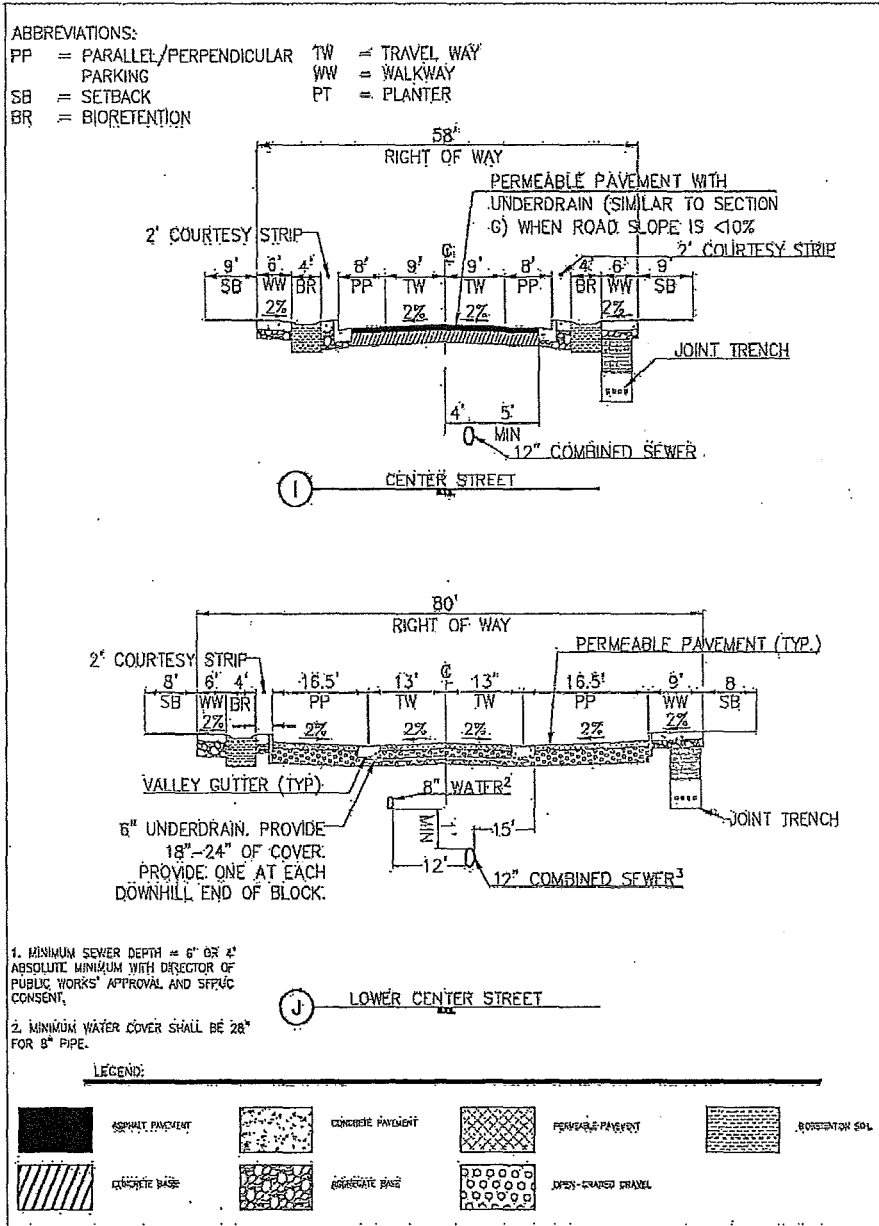
TYPICAL STREET CROSS SECTIONS

Figure 7.6.



SUNNYDALE HOPE SF | FIGURE 7.7 TYPICAL STREET CROSS SECTIONS

Figure 7.7.



SUNNYDALE HOPE SF | FIGURE 7.8 TYPICAL STREET CROSS SECTIONS  
 Figure 7.8.

## **7.8 Traffic Calming**

### **7.8.1 Intersection Bulb-Outs**

Bulb-outs have been strategically added to facilitate safe pedestrian travel along intersections where there are currently parallel parking areas, wider drive lanes, higher volumes of pedestrian circulation, and/or striped shoulders. Curb radii are designed to provide the required clearances for San Francisco Fire Department ("SFFD") access. The final design for the bulb-outs will be coordinated with the SFMTA, SFPDW, SFPUC, and the SFFD. Bulb-out improvements must meet the SFPDW and SFPUC requirements for overland drainage release and SFPDW requirements for accessibility for persons with disabilities. Overland release at these locations will be studied in the Grading and Overland Release Master Plan, which will be reviewed and approved by the SFPUC and SFPDW prior to the 30% Street Improvement Plans for the first phase of development. Bulb-out improvements will comply with SFPUC utility clearances and the Subdivision Regulations. Locations and a typical bulb-out detail are shown on Figure 7.9, 7.10, and 7.10.1.

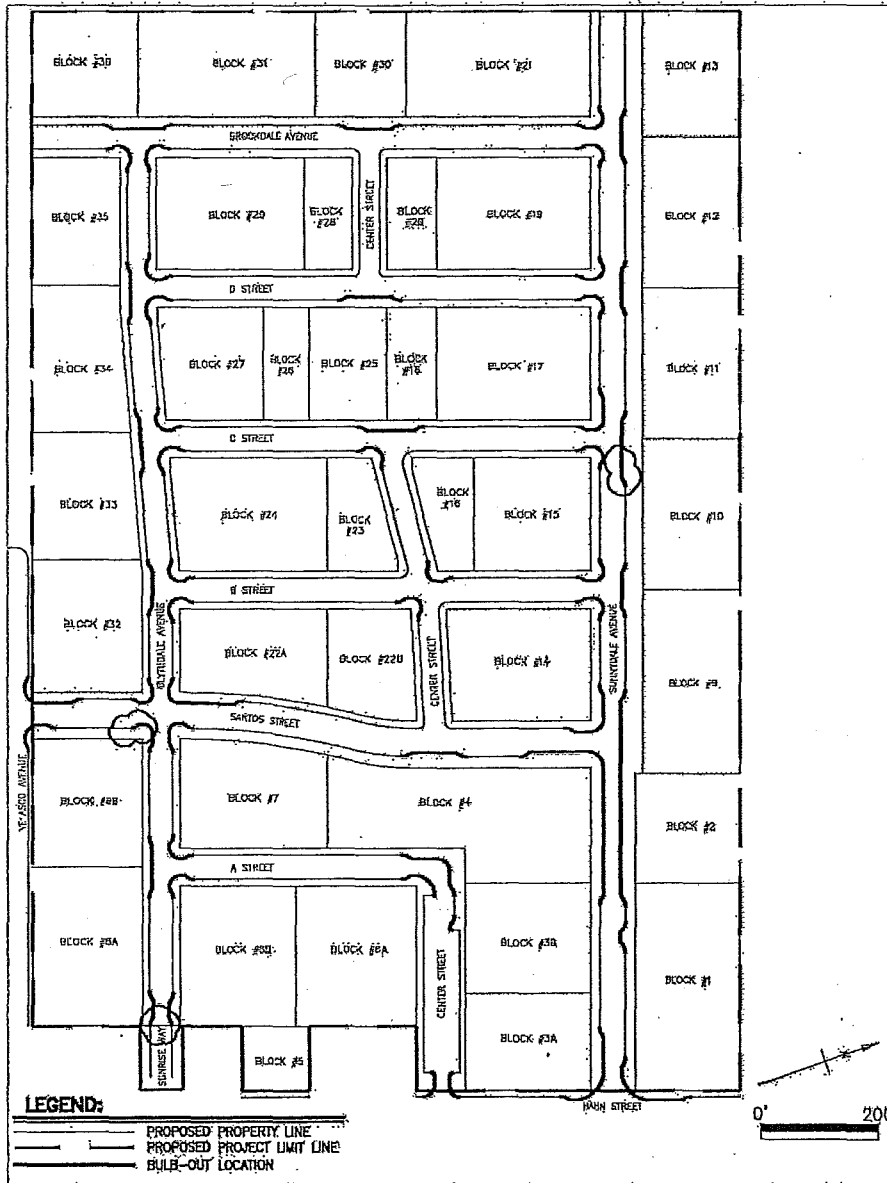
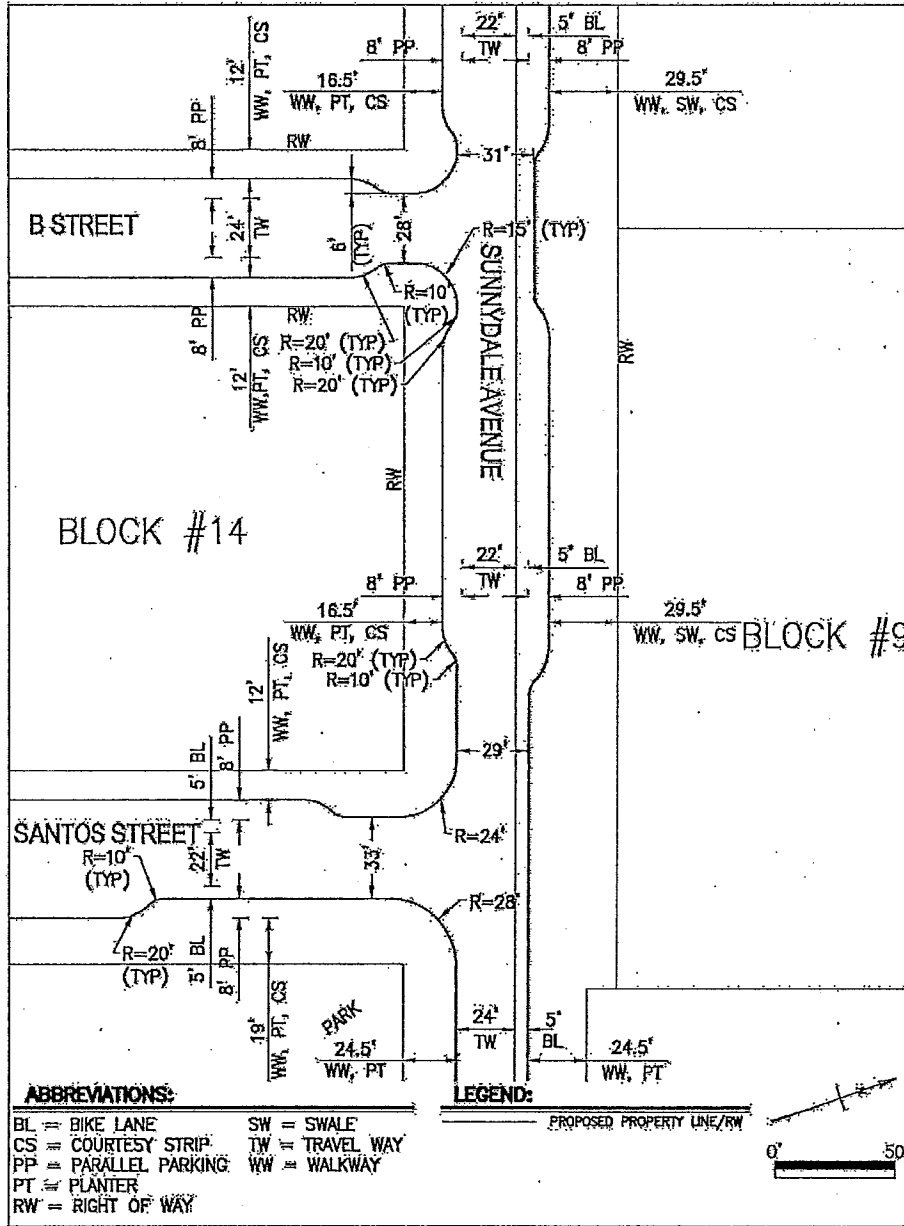


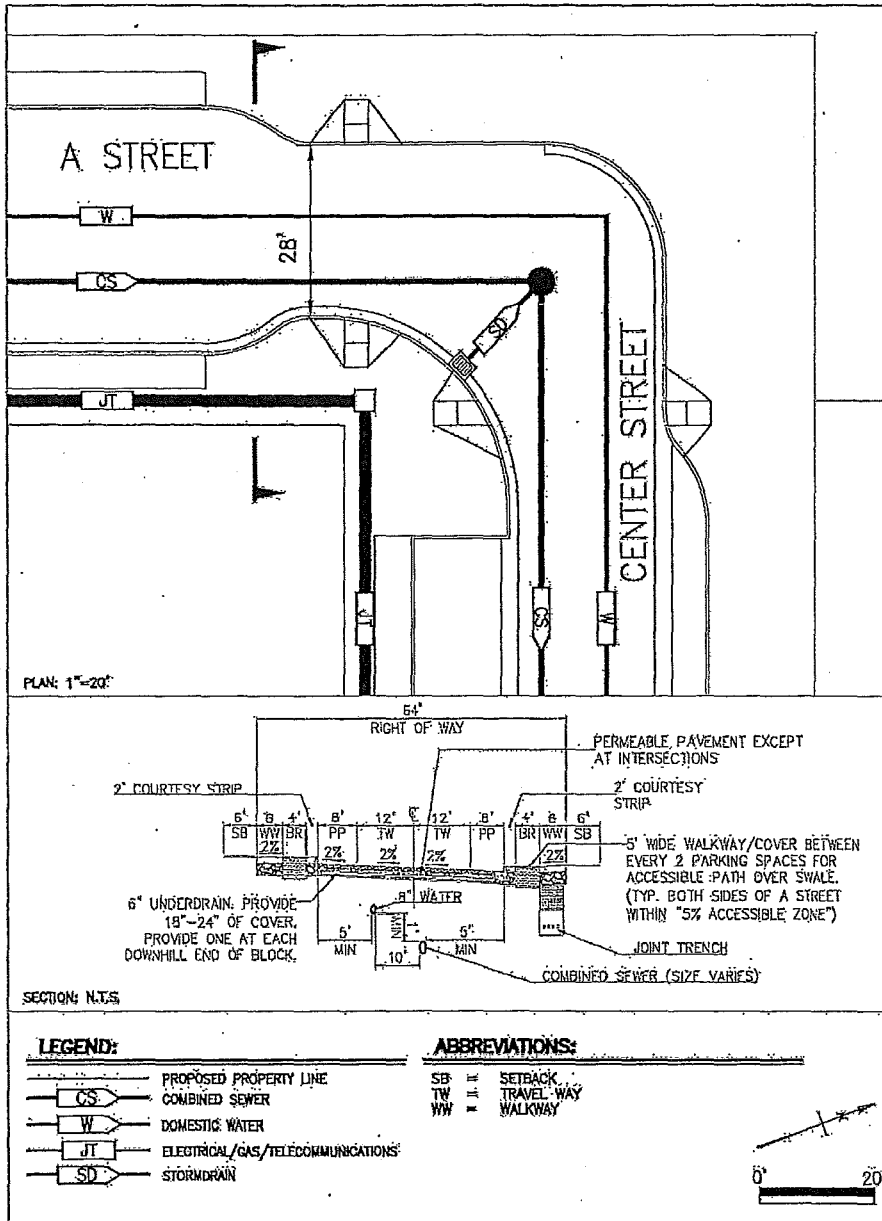
Figure 7.9.



SUNNYDALE HOPE SF | FIGURE 7.10

TYPICAL INTERSECTION BULB-OUT DETAIL

Figure 7.10.



SUNNYDALE HOPE SF | FIGURE 7.10.1 TYPICAL BULB-OUT UTILITY CLEARANCE PLAN & SECTION  
 Figure 7.10.1.

### **7.8.2 Narrowed Lane Widths**

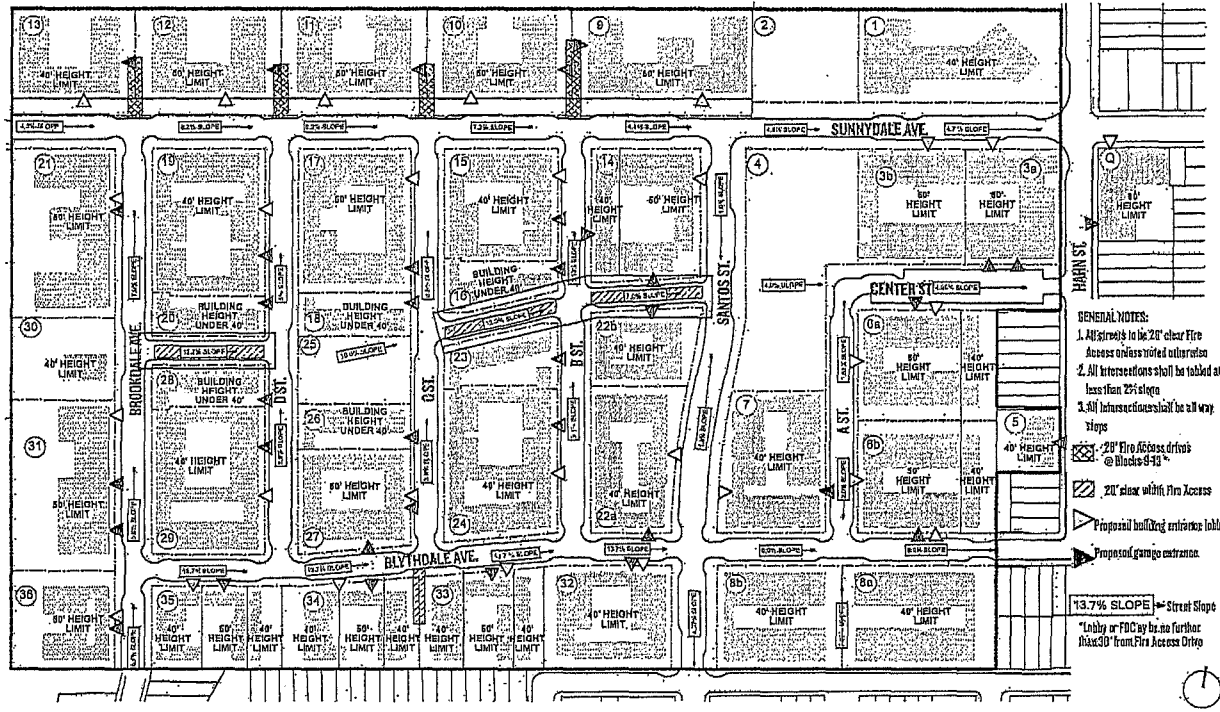
The traffic lane widths for Center Street between Santos Street and Brookdale Avenue will be 10 feet, per SFMTA recommendations for low-traffic streets. Due to SFFD access requirements, all other street lane widths are in excess of 10 feet.

### **7.9 Fire Department Access**

The overall Fire Access approach, including street grades, building heights and operational street widths, is shown in Figure 7.11.

Intersection radii, street widths from curb to curb on opposite sides of the street, and right-of-way layouts have been designed to accommodate fire truck turning movements, as documented on Figures 7.12 and 7.13A thru C. Per the SFFD, intersections are designed to accommodate the truck turning movements of the City of San Francisco Custom Fire Engine and Custom Aerial Ladder Truck (Fire Truck) as provided by the SF MTA. At intersection approaches and within intersections, the Fire Truck may encroach into the opposing vehicular travel lane to complete turning movements. Figure 7.12 identifies a typical detail of turning movements of the Fire Truck at typical site intersections.





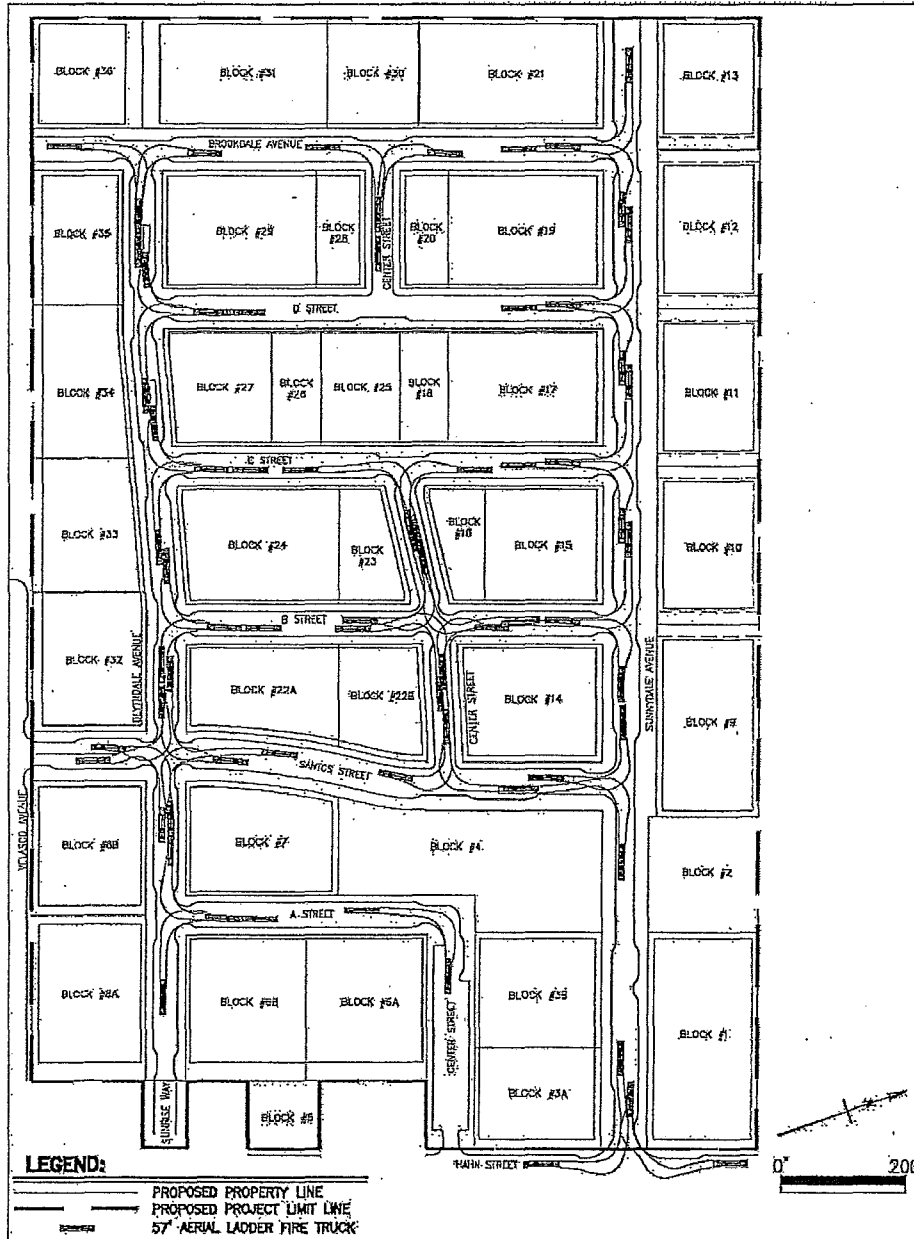
# SUNNYDALE HOPE SF | FIRE ACCESS DIAGRAM

SAN FRANCISCO, CA | NOVEMBER 17, 2016 | MERCY HOUSING, THE RELATED COMPANIES OF CALIFORNIA



Figure 7.11

Sunnydale HOPE SF Master Infrastructure Plan



SUNNYDALE HOPE SF | FIGURE 7.12.  
Figure 7.12.

CONCEPTUAL FIRE TRUCK TURNING ANALYSIS

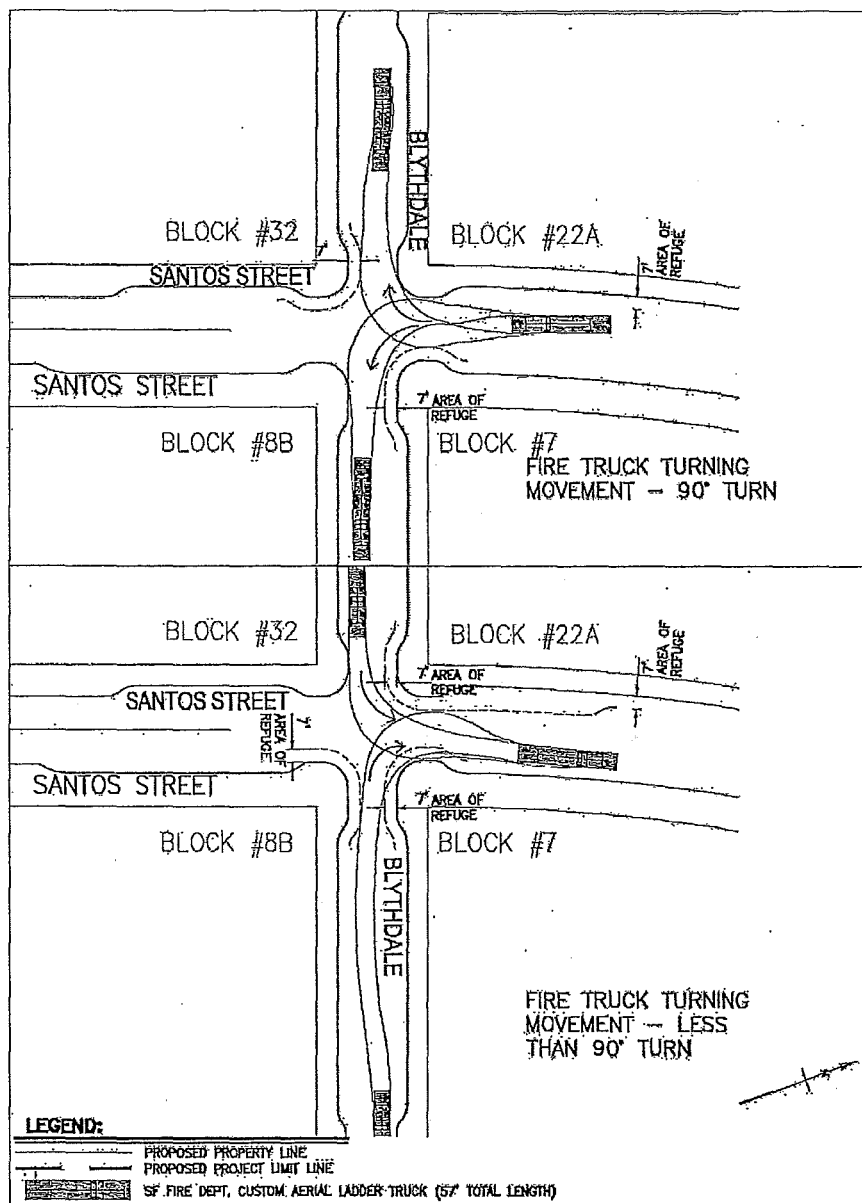
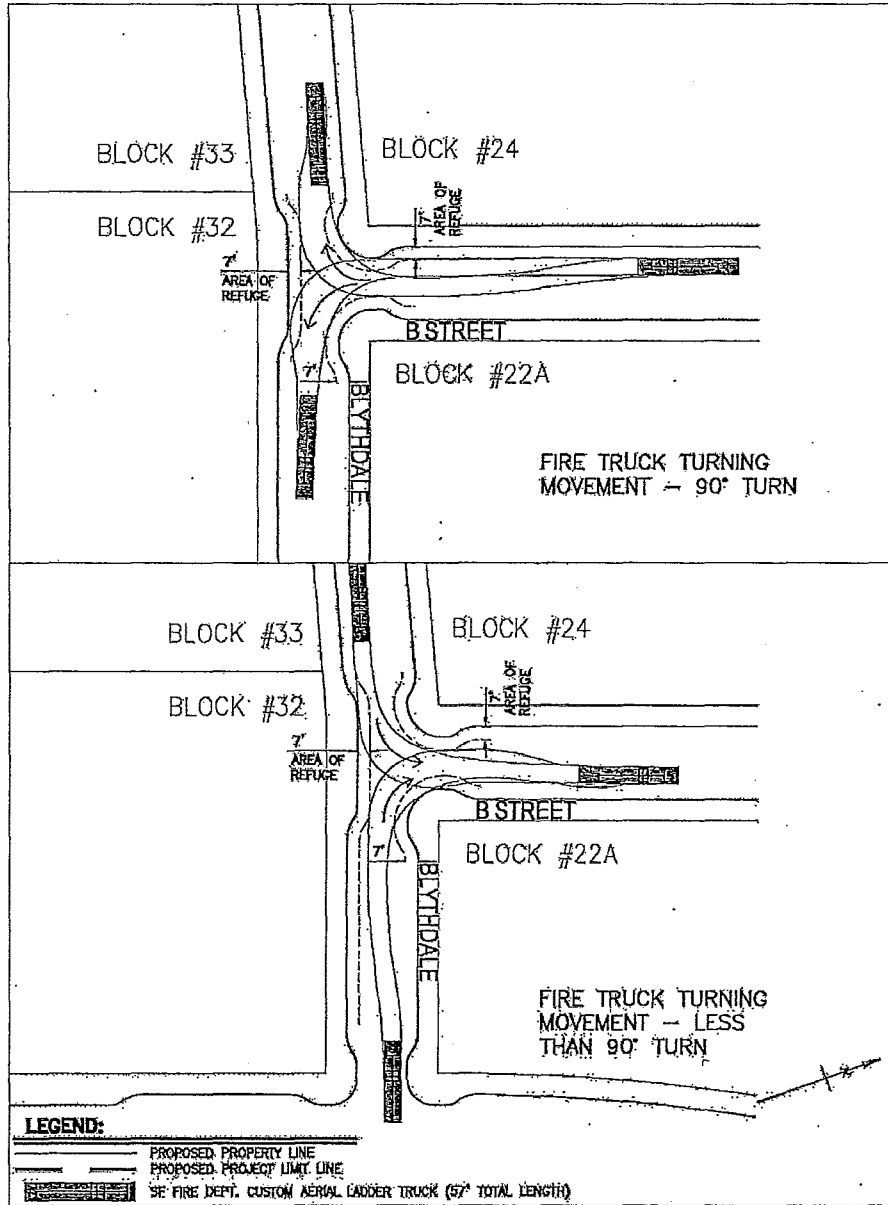
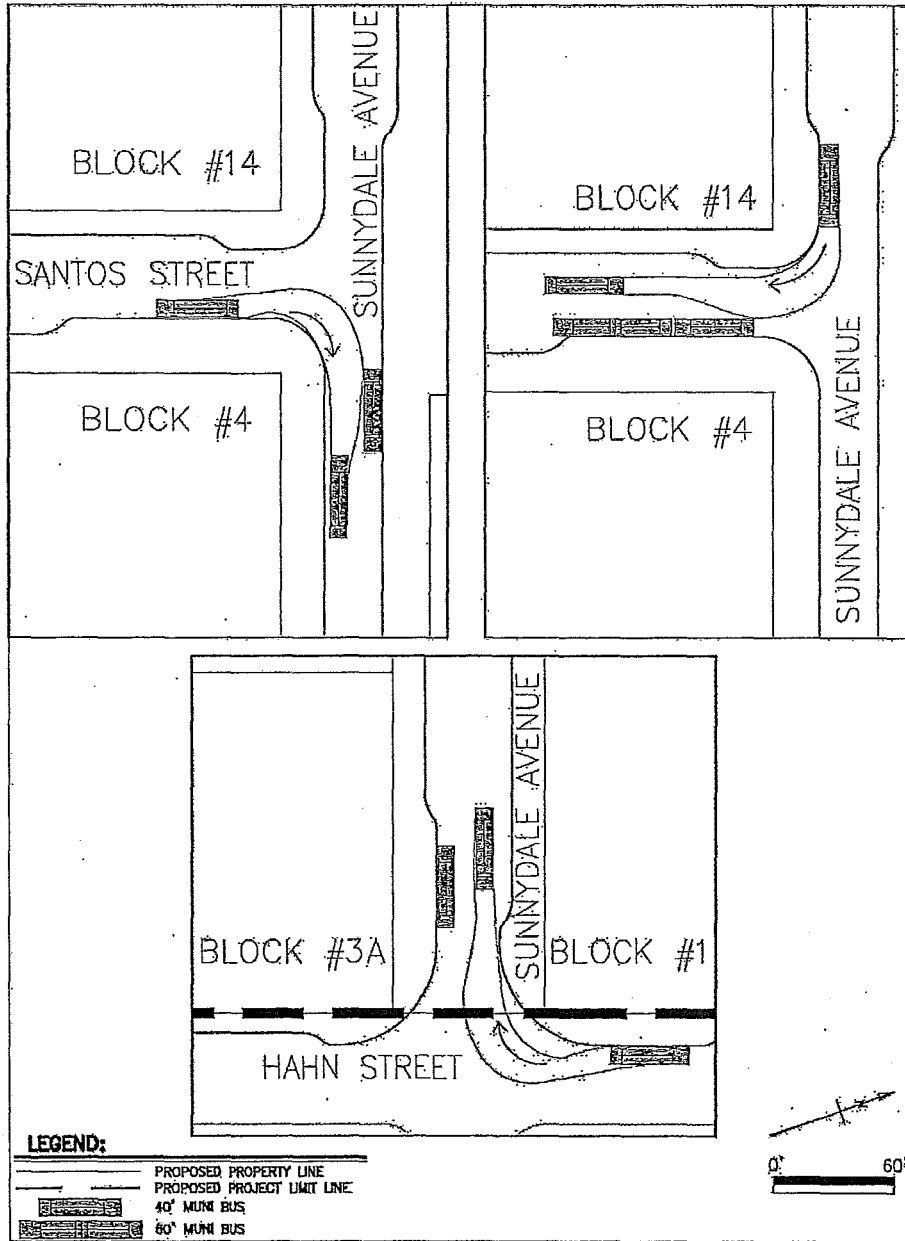


Figure 7.13A.



**SUNNYDALE HOPE SF** | FIGURE 7.13B: ENLARGEMENT OF TYPICAL INTERSECTION FIRE TRUCK-TURNING  
 Figure 7.13B.



SUNNYDALE HOPE SF | FIGURE 7.13C  
 Figure 7.13C.

MUNI BUS TURNING ANALYSIS

#### **7.10 Public Bike and Pedestrian Paths on Private Property**

Pathways restricted to foot and bicycle traffic will be privately owned, publicly accessible open spaces, built by the Developer. Currently, the only path that meets this description is the path between Blocks 32 and 33, leading from Blythdale Avenue to Velasco Street. This area is subject to an existing SFPUC easement. Proposed improvements will require SFPUC's prior written consent. Other pedestrian and bicycle paths are located within open space blocks.

#### **7.11 Underground Utilities**

Vertical and horizontal separation distances between adjacent combined sewer system, potable water, and dry utilities will conform to the requirements outlined in Title 22 of the California Code of Regulations and the State of California Department of Health Services Guidance Memorandum 2003-02 and Subdivision Regulations. See Typical Street Sections (Figures 7.7 through 7.10) for depth and relationship to other utilities. Developer will cause to be completed required disinfection and connections to new water mains in accordance with the SFPUC's policies and procedures.

#### **7.12 Phasing of New Roadway Construction**

The Developer will construct the new roadway system and traffic control and signalization improvements in phases in advance of or to match the phased development of the Blocks. The amount of the existing roadway repaired and/or replaced will likely be the minimum necessary to serve the Block. Repairs and/or replacement of the existing facilities necessary to serve the Block will be designed and constructed by the Developer. Fire truck turnaround areas, if any, will be coordinated with the SFFD and constructed by the Developer consistent with the Fire Code. Sidewalk and other accessible pedestrian paths of travel, either permanent or temporary, shall be provided to serve the pedestrian entrance and exit requirements of each Block prior to being released for occupancy.

Impacts to improvements installed with previous phases of development due to the designs of the new phase will be the responsibility of the Developer and addressed prior to approval of the permit drawings for the Block.

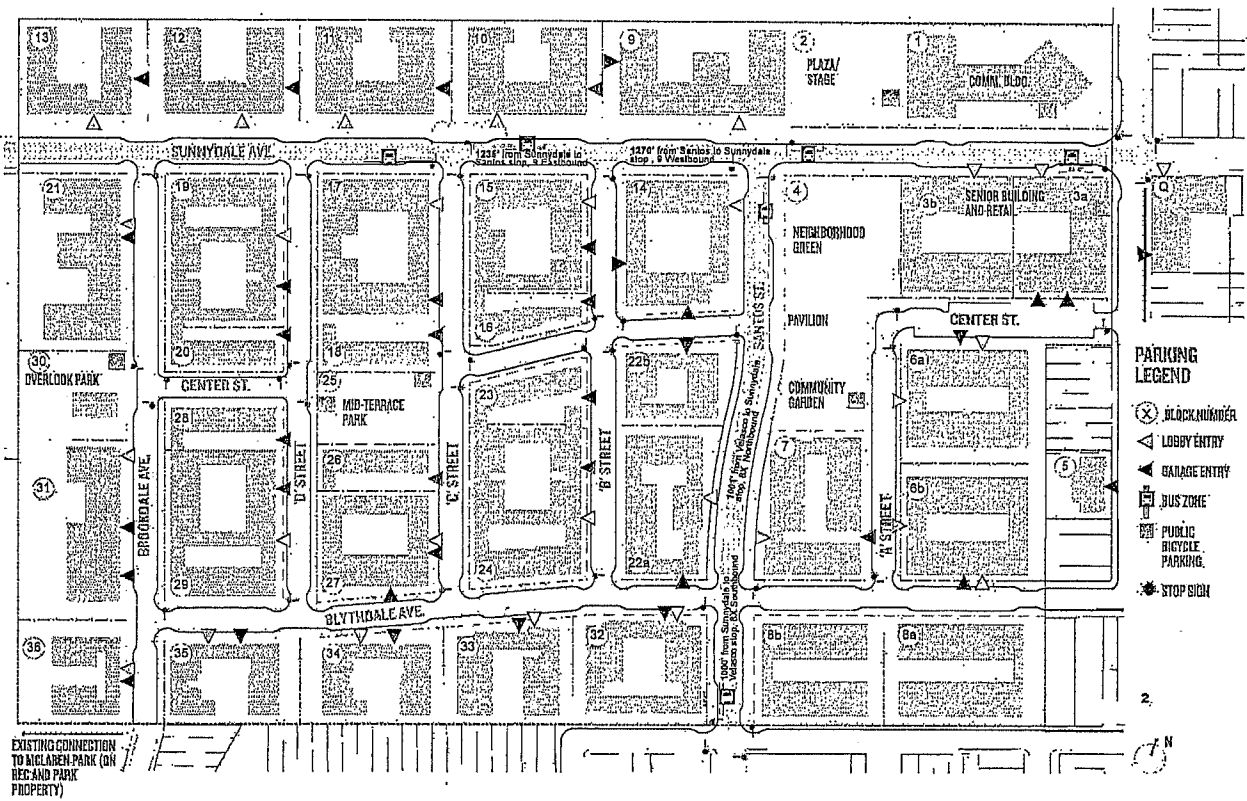
#### **7.13 SFMTA Infrastructure**

In coordination with SFMTA, the MUNI 9 and 8X transit stop locations have been optimized within the site, and transit bulbs have been added to improve service levels. Planned pedestrian improvements will increase safety and access throughout the Project. See Figure 7.16 Transit Diagram with Bus Stop Locations.

#### **7.14 Acceptance and Maintenance of Street Improvements**

In order to be accepted, the entire street will have to be full, complete and functional prior to being considered for acceptance. Upon acceptance of the new and/or improved public streets by the SFPUC, responsibility for the operation and maintenance of the roadway and

streetscape elements will be designated as defined in the various City of San Francisco Municipal Codes. Acceptance of water, wastewater and power utility infrastructure and streetlights within street improvements and Public Stormwater Management Improvements shall be subject to SFPUC approval. Proposed water and combined sewer infrastructure shall be designed to facilitate future access for maintenance.



**SUNNYDALE HOPE SF TRANSPORTATION DIAGRAM**  
 SAN FRANCISCO, CA | OCTOBER 28, 2019 | MERCY HOUSING, THE RELATED COMPANIES OF CALIFORNIA

YAN METER WILLIAMS  
 MERCY HOUSING RELATED POLLACK

Figure 7.14.

Sunnydale HOPE SF Master Infrastructure Plan



## Section 8 Open Spaces

### 8.1 Proposed Open Spaces

There are five major open spaces within the Project Site, totaling 4.6 acres of new, publicly accessible open space. Figure 7.2 indicates the location and areas of each of the five open spaces, which are Blocks 2, 4, 25 and 30 and a linear open space on the north side of Sunnydale Avenue. (Block 1 is noted as Open Space but will be the site for the new Community Center.) At the base of the site on Block 2 is the approximately 0.75 acre Community Open Space, complete with plaza, stage, and orchard next to the Community Center. Across the street at Block 4 is the 1.6 acre Neighborhood Green, pavilion, orchard, and community garden. A combination of softscape areas, raingarden stormwater detention basins, and permeable paving will collect and detain stormwater runoff and allow for infiltration. The 1 acre Sunnydale Linear Open Space will occur along the north side of Sunnydale Avenue. This Linear Open Space will showcase the stormwater infrastructure with generous setbacks and planting areas for stormwater detention and infiltration. In the center of the Project Site, on Block 25, will be the Mid-Terrace Open Space, which is approximately 0.7 acres in size. This open space will feature a series of terraces, a sloped path connecting all terraces, and small pockets of play space, gathering space, and gardens. Small rainwater infiltration basins within the garden terraces will collect stormwater and act as detention areas and allow for slow infiltration. Perched at the upper elevations along the west edge of the site, on Block 30, will be the Overlook Open Space, which is approximately 0.6 acres and will include view stairs, landscaping and possibly an overlook pavilion. Stormwater runoff from the pavilion will infiltrate within this open space site.

The open space construction will be phased along with the rest of the Project, and all open spaces will be privately owned and maintained, but publicly accessible, with the exception of the Linear Open Space, which will be proposed as public open space maintained by the City<sup>1</sup>. Stormwater infrastructure and irrigation systems will be designed and installed per City standards. The Developer is responsible for costs associated with the review, permitting, and inspection of the open space improvements. Open space designs shall be reviewed and approved by San Francisco Planning Department and the San Francisco Department of Building Inspection prior to permit issuance, and shall be inspected for compliance with the approved plans prior to public use.

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<sup>1</sup> Work to finalize maintenance responsibility of the Sunnydale Linear Open Space is ongoing at the time of finalization of this infrastructure plan.

## **Section 9 Stormwater Management System**

### **9.1 Existing Stormwater Management System**

The Project Site consists of approximately 48.8 acres of primarily multifamily residential buildings accessed and served by curb and gutter public streets. Unpaved areas generally consist of lawn or bare earth with modest canopy cover. Pavement, buildings and other impervious surfaces cover approximately 50-percent of the site. The project Geotechnical Engineer has classified the site soils as having very low infiltration rates (Hydrologic Soil Group D). Most rainfall that falls on the site becomes runoff. Stormwater runoff is collected and conveyed via an on-site combined sewer system that carries both the stormwater runoff and sanitary sewer flows from the site. The combined system is described further in Section 10.

### **9.2 Proposed Stormwater Management System**

This MIP describes the overall site approach to Stormwater Management. Runoff from right-of-way areas will be managed within the rights-of-way using green stormwater infrastructure, as approved by applicable City agencies. Runoff from private housing, open space, and community center parcels will be managed with a combination of conventional stormwater facilities and green stormwater infrastructure. A Stormwater Control Plan ("SCP") for each private parcel, private open space, and public right-of-way Street Improvement Plan will be submitted per the SCP review process for SFPUC review and approval.

#### **9.2.1 SFPUC Stormwater Management Requirements**

The SFPUC Stormwater Management Requirements provide the regulatory guidance by describing requirements for post-construction stormwater management. All projects that disturb more than 5,000 square feet are required to meet or exceed SFPUC Stormwater Management Performance Requirements. Sunnydale HOPE SF will include a total reconfiguration of the street grid within the development. The SFPUC Stormwater Management Requirements therefore apply to all rights-of-way within the Project, except for the Hahn Street improvements which do not include modification of the public right-of-way lines.

Since the site discharges to a combined sewer system, Leadership in Energy and Environmental Design ("LEED") Sustainable Sites Credit 6.1 (SS6.1) applies. Option 1 of this credit applies to Project, as the existing impervious area is less than or equal to 50-percent of the total area.

SS6.1, Option1, states that the project shall "...Implement a stormwater management plan that prevents the post-development peak discharge rate and quantity from exceeding the pre-development peak discharge rate and quantity for the 1- and 2-year, 24-hour design storms." The SFPUC interprets "pre-development" in this case to mean

existing conditions. Modified Compliance is not applicable to sites with existing impervious cover of less than or equal to 50-percent and therefore is not applicable to this Project.

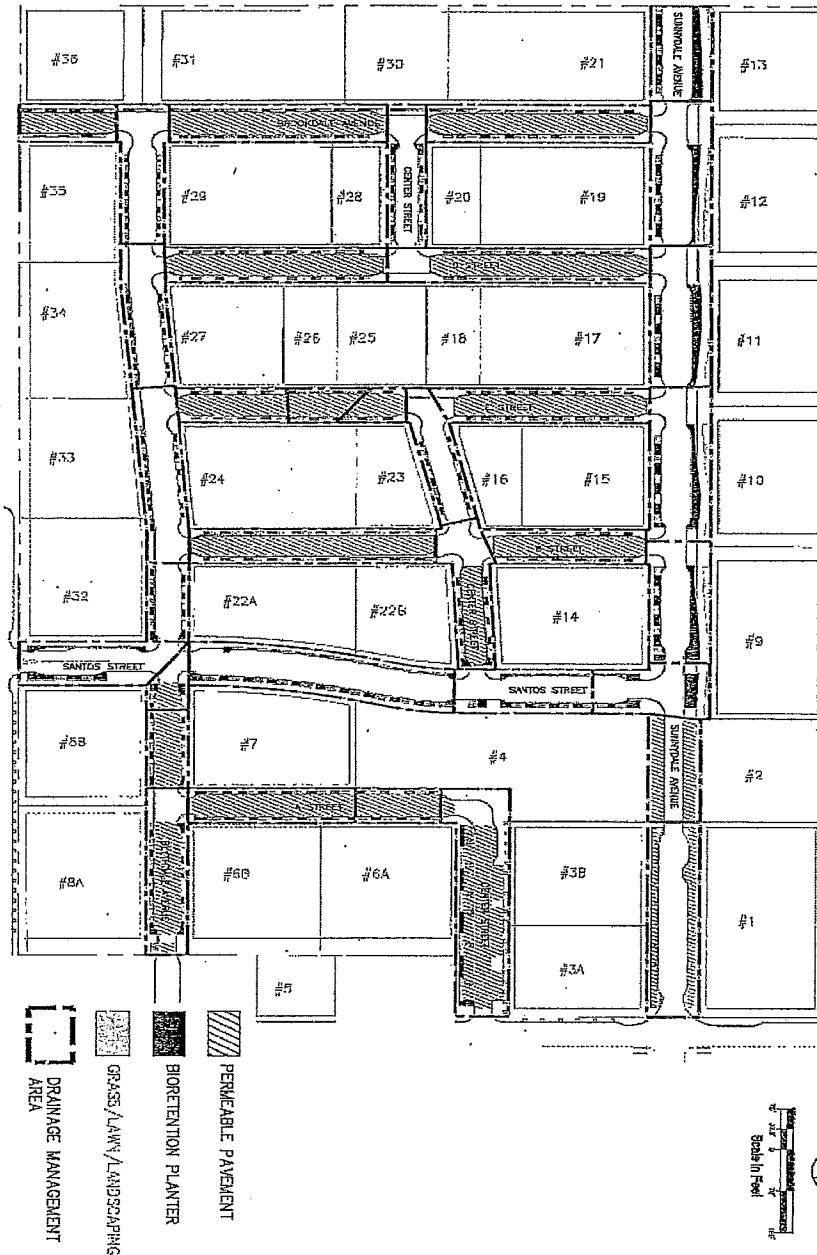
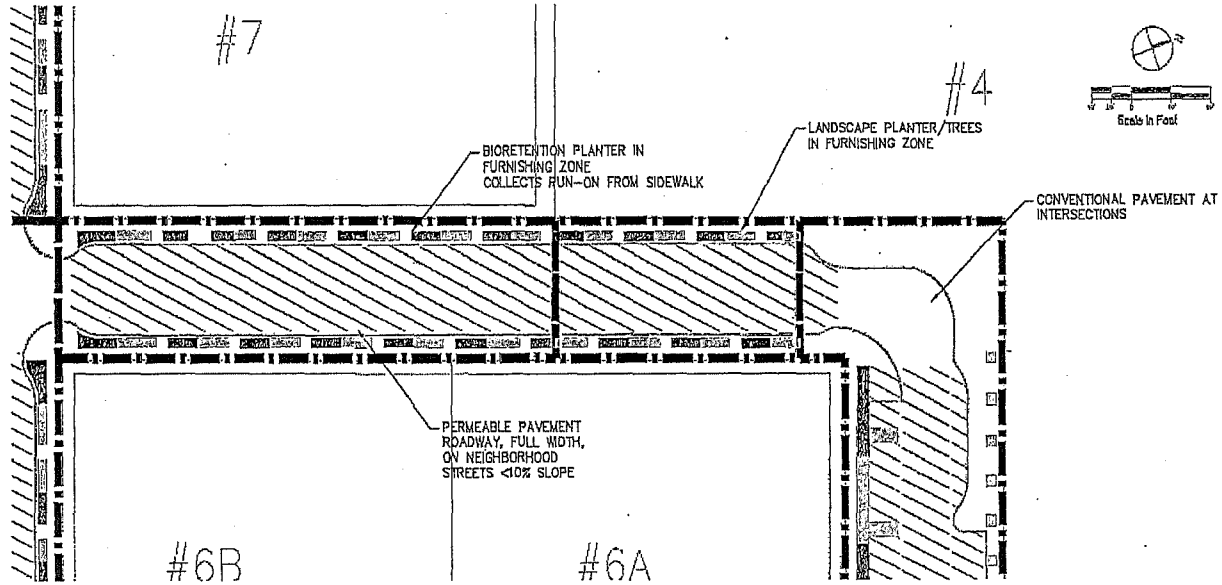


Figure 9.1. Location of Green Stormwater Infrastructure in Public Right of Ways



ENLARGEMENT - TYPICAL STORM BMPs





-  PERMEABLE PAVEMENT
-  BIORETENTION PLANTER
-  GRASS/LAWN/LANDSCAPING
-  DRAINAGE MANAGEMENT AREA

Figure 9.1.1. Location of Green Stormwater Infrastructure in Public Right of Ways Enlargement

Sunnydale HOPE SF Master Infrastructure Plan

### **9.2.2 Site Conditions and Proposed Stormwater Controls - Public Street Rights-of-Way**

The Sunnydale HOPE SF Project will include the reconfiguration and construction of approximately 13.6 acres of public street right-of-way. To meet SFPUC stormwater requirements, the Project has proposed permeable paving in the parking lanes and drive aisles in the public rights of way, which will be dedicated to the City and maintained by the City. The Developer will design and engineer the public rights of way with permeable paving, which SFPUC and SFDPW will review as part of the street improvement permit process for each phase of improvements. If in reviewing the street improvement permit plans for any phase of development the City determines that the permeable paving is not an acceptable surface within the drive aisles, parking lanes, or both, then the Project will use standard paving techniques and the Developer will not be responsible for managing the runoff that was intended to be managed by the permeable paving within the subject phase application; however other proposed stormwater management controls will continue be installed as described in the Infrastructure Plan. Determinations will be made on a phase-by-phase basis.

Following the SFPUC Green Infrastructure Typical Details right-of-way landscape strips will function as bio-retention cells, and furnishing zones, parking areas and drive aisles will be constructed using permeable pavements. Figure 9.1 illustrates where permeable pavement and bio-retention facilities are anticipated, subject to appropriateness of design and SFPUC and SFDPW approval. Figure 9.1.1 also provides an enlarged view of the permeable pavement and bio-retention facilities on a typical street.

These stormwater control elements will act to slow the rate at which stormwater flows from the streets and sidewalks to the public combined sewer system and reduce the volume of runoff through limited infiltration, evapotranspiration, retention within engineered soil void spaces and absorption by plant materials. Due to the low infiltration potential of the site soils, bio-retention and permeable pavement facilities will be designed with a perforated underdrain to collect any excess water and convey it to the combined sewer system. Underdrains within permeable paving located in public rights-of-way are subject to SFPUC and SFDPW approval. Each facility will also be designed with an overflow to convey the stormwater from larger storm events to the combined sewer system to satisfy the SFPUC and SFDPW requirements.

Bio-retention within the right-of-way will be constructed in accordance with the SFPUC Green Stormwater Infrastructure Typical Details for bio-retention planters, bio-retention basins, or combinations thereof, unless otherwise approved by SFPUC. Permeable pavements will also be constructed in accordance with the current SFPUC Green Infrastructure Typical Details and Working DRAFT SFDPW Permeable Paving Director's Order (pending formal release) unless otherwise approved by SFPUC and SFDPW. Permeable pavement materials will be selected from the SFDPW list of pre-approved

materials, currently under development.

Bio-retention will primarily collect runoff from sidewalks. On streets with wider bio-retention areas, such as Sunnydale Ave and Santos Street, the roadway will be thrown so that runoff is directed to bio-retention. Through the Sunnydale Ave linear open space, overflow from bio-retention cells will cascade from cell to cell, creating a linear stormwater feature that is interwoven with the multi-use sidewalk. Permeable pavements will be used primarily within the furnishing zone on Sunnydale Avenue (outside the pedestrian through zone) and within roadway and parking lanes along neighborhood residential streets.

#### **9.2.3 Proposed Stormwater Control Plans for Public Street Rights-of-Way**

A Preliminary Stormwater Control Plan ("SCP") for the public right of way improvements will be submitted for review and approval with the 30% Street Improvement Plans for each phase of the project, and the Final SCP for a phase will be submitted with the 90% Street Improvement Plan for that phase. Approval of Final SCPs will be obtained prior to Street Improvement Plan permit issuance. A Multi-Phase SCP for public right-of-way improvements will be submitted along with the Preliminary SCP for the first phase. It is anticipated that, during some later phases, some individual right-of-way drainage management areas will not meet stormwater control requirements. To mitigate this, earlier right-of-way phases will offset these non-complying phases by managing more stormwater than is required. The extra control provided will be recorded in a project specific Stormwater Management Tracking Table. The tracking table will be used to "bank" stormwater control from early right-of-way phases so that later right-of-way phases may provide less control.

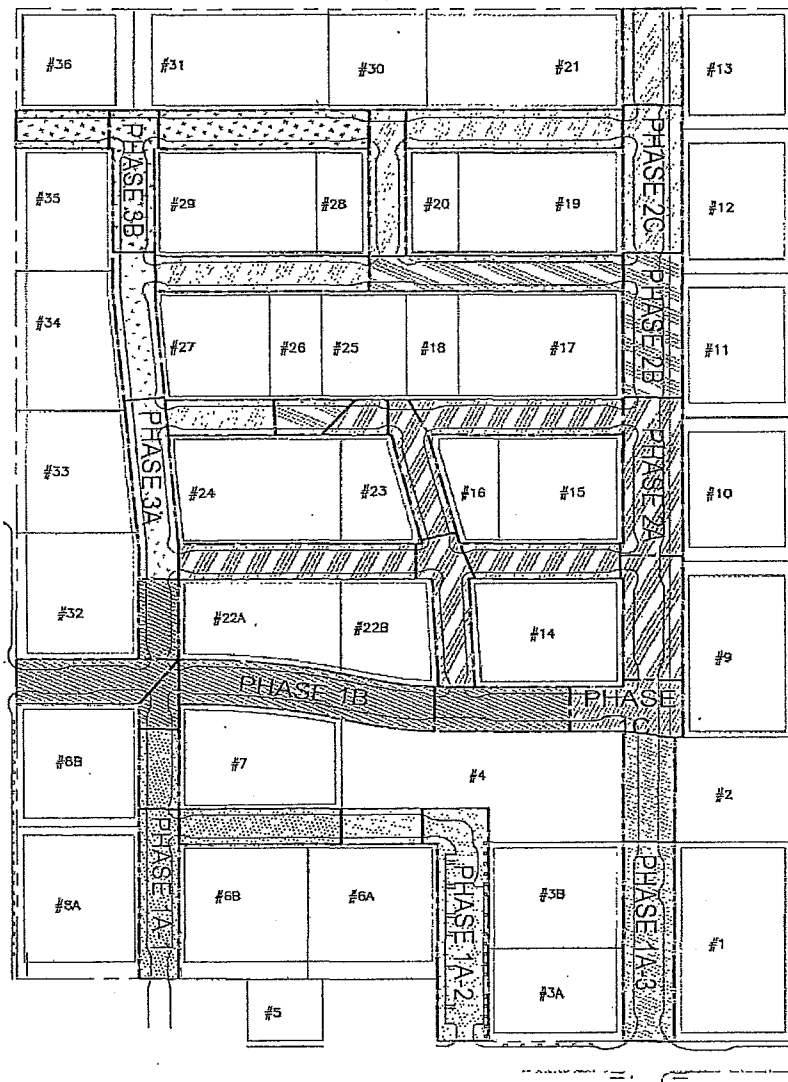
Throughout the build out of the Project, the Developer will maintain a record copy of the tracking table; each right-of-way project will provide a copy of the tracking table with their SCP demonstrating that the net result in runoff from the site is less than or equal to the predevelopment runoff.

#### **9.2.4 Site Conditions and Proposed Stormwater Controls - Private Parcels and Open Spaces**

The private development areas will occupy approximately 35.2 acres of the site. The private development sites will be largely covered with podium structures, pedestrian pathways and other hard surfaces, increasing runoff potential. Private development sites will also include open space and plaza areas. Each private development may incorporate green stormwater controls where feasible to reduce effective impervious surface. It is anticipated that many private site developments will require rainwater harvesting systems in order to meet the SFPUC Stormwater Management Requirements for volume control. Anticipated non-potable uses for harvested rainwater include irrigation and flushing. For private development parcels, a Preliminary SCP and Final SCP shall be submitted for approval per SFPUC stormwater management requirements.

If an open space is to be turned over to the City for ownership and maintenance, the open space SCP will be completed in conjunction with the right-of-way SCPs. For compliance with the SFPUC Stormwater Management Requirements these open spaces will be counted as public right-of-way.





PHASE 1A  
PHASE 1B  
PHASE 1C  
PHASE 2A  
PHASE 2B  
PHASE 2C  
PHASE 3A  
PHASE 3B  
PHASE 3C

Prepared by: WATSON  
DESIGN  
ARCHITECTS

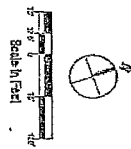


Figure 9.2. Right-of-Way Stormwater Phasing Diagram

### 9.3 Phasing for Stormwater System Construction

The Developer will design and install the new stormwater management systems to match the phased construction of the Project. SFPUC Stormwater Management Requirements will be met for right-of-way portions of the site at full buildout. Private property portions of the site will meet SFPUC post-construction Stormwater Management Requirements at the completion of each Block and/or phase of the Project. Figure 9.2 shows the proposed right-of-way buildout for each anticipated phase.

At all phases of the development, the Developer will provide functioning and adequate permanent or interim stormwater management facilities necessary to achieve stormwater management compliance. Within a development phase, facilities will be constructed and operational prior to or in conjunction with that phase.

## Section 10 Combined Storm/Sewer System

### 10.1 Existing Combined Sewer System

The existing combined sewer mains on Blythdale Avenue and Hahn Street connect to the 3' x 4.5' combined brick sewer at the Sunrise Way/Hahn Street intersection. The existing combined brick sewer main located within the existing sewer easement on the east side of Blythdale Avenue also connects through Hahn Street before reaching the sewer at the Sunrise Way and Hahn intersection.

The 3' x 4.5' combined brick sewer eventually connects to a 78-inch combined sewer, which is then conveyed through a series of conduits, tunnels and lift stations, eventually arriving at San Francisco's Southeast Water Pollution Control Plant ("SWPCP") for treatment prior to discharge to the San Francisco Bay. According to the Project EIR/EIS, capacity is available at the SWPCP to serve the proposed project.

### 10.2 Proposed Combined Sewer System

#### 10.2.1 Proposed Sanitary Sewer Demands

Project sanitary sewer demands conservatively assume a 95% return on water demands, resulting in an Average Daily Dry Weather Flow ("ADWF"). A Combined Sewer Master Plan that outlines the Project's methods for calculating the flow demands will be submitted to the SFPUC to be approved prior to the 30% Street Improvement Plans for the initial phase of development. There will be the application of a peaking factor of 3 to the ADWF, which will anticipate the generation of a Peak Dry Weather Flow ("PDWF"). As recommended by the Subdivision Regulations, an Inflow and Infiltration rate ("I&I") of 0.001-0.003 cubic feet per second (cfs) per acre will be added to the PDWF to calculate the Peak Wet Weather Flow ("PWWF").

#### **10.2.2 Proposed Combined Sewer Capacity**

Hydrology models and Hydraulic Study for the entire site will be developed and submitted to the City to confirm the combined sewer system designs and capacity in conjunction with the 30% Infrastructure Improvement Plans for the initial phase of development.

#### **10.2.3 Proposed Combined Sewer Design Basis**

The proposed combined sewer system will be designed in accordance with the Subdivision Regulations and SFPUC wastewater utility standards. Combined sewers will have sufficient capacity, when flowing full or surcharged, to carry the computed storm water runoff, based on the ultimate development of the area including the material drainage from upstream areas. Piping systems will be designed to convey the 5-year storm event inside the combined sewer infrastructure with overland release of the 100-year storm conveyed between the top of curb elevations of the streets. Where sewer ejector pumps, diversion line, or interceptors are incorporated into the private development parcel utility system designs, the sewer demands shall be included in the hydrology calculations for sizing combined sewer mains. If pumps, interceptors or diversion lines are not included, the sewer demands shall not be included in the sizing calculations for the combined sewer mains per the Subdivision Regulations. Where sewer ejector pumps, diversion line, or interceptors are incorporated into the private development parcel utility system design, these utilities will be owned and maintained by the private parcel owner. A complete combined sewer design will be developed as part of the Combined Sewer Master Utility Plan review and approval process prior to the 30% Street Improvement Permit plans for the first phase of construction.

#### **10.2.4 Proposed Combined Sewer Design Criteria**

As documented in the Subdivision Regulations or SFPUC wastewater utility standards, as appropriate, sewer mains will be constructed from ASTM C-700 Extra Strength Vitrified Clay Pipe (VCP) with a minimum diameter of 12 inches. Where required, 24-inch to 36-inch pipe constructed from ASRM C-700 Extra Strength VCP with construction modifications or reinforced concrete pipe (RCP), subject to the approval of the Director of Public Works with the consent of the SFPUC. VCP sewers will have bell and spigot joints with fabricated compression type fittings in accordance with ASTM C425. RCP sewers will have bell and spigot joints. Due to planned trees at the project site, high density polyethylene (HDPE) pipe is anticipated to be an acceptable alternative to VCP, subject to SFPUC approval. Proposed city main sewers within the development will be constructed on appropriate bedding for HDPE, as approved by SFPUC. The minimum residential and commercial service lateral size will be 6 inches and 8 inches, respectively. Sewer laterals will have an air vent and trap. Sewer laterals from private open spaces will have a sand trap prior to the air vent and trap, and will not connect to the public sewer system at the back of catch basins. Manhole covers will be solid, with manhole spacing set at a maximum distance of 300 feet (or 350 feet with SFPUC approval), and at changes in pipe diameter, grade or

alignment. Manholes will not be located in pedestrian crosswalks. Stormwater inlets will be installed per the Subdivision Regulations or SFPUC wastewater utility standards and outside of the curb returns, crosswalks, accessible passenger loading zones and accessible parking spaces, where feasible.

A minimum cover of 6 feet will be provided on top of mains within public streets, in accordance with the Subdivision Regulations. Pipe slopes will be designed to minimum and maximum values of 0.2 percent and 15 percent, respectively, subject to complying with the more important minimum and maximum velocities noted below. Mains that are 12 inches to 18 inches in diameter shall have sufficient capacity to carry the design flow when running half full based on depth ( $d/D = 0.50$ ). Mains larger than 18 inches shall have sufficient capacity to carry the design flow when running 0.75 full based on depth ( $d/D = 0.75$ ). Freeboard Requirements will conform to the City of San Francisco Subdivision Regulations or SFPUC wastewater utility standards. The minimum freeboard requirement should take precedence over the filling ratio ( $d/D$ ) for design flow conditions. ADWF is  $d/D = 0.5$  and PWWF is  $d/D = 0.75$ . Unless approved otherwise by the SFPUC, the slope of the main sewer will achieve a minimum velocity of 2 ft/sec under average flow conditions to maintain sufficient cleaning velocities and a maximum velocity of 10 ft/s to reduce scouring. If minimum velocities cannot be met, sewers as small as 8 inches will be considered on a case by case basis.

Vertical and horizontal separation distances between adjacent combined sewer system, potable water, and dry utilities will conform to the requirements outlined in Title 22 of the California Code of Regulations, the State of California Department of Health Services Guidance Memorandum 2003-02, and the Subdivision Regulations. Where feasible, the combined sewer will be located in the center of the proposed public streets per Subdivision Regulations. In many locations within the Project Site, the combined sewer will be offset from the center of the street to ensure that adjacent water lines can be placed outside of the proposed bulb-outs while maintaining the required health code separation clearances. The combined sewer will be located within the public street travel way pavement such that the outside wall of a water or combined sewer pipe is a minimum of 2.5-foot clear from the lip of gutter and a minimum of 5-foot clear from a proposed tree. Sewer manholes will be located such that the outside wall is a minimum 4-foot clear from the face-of-curb and 0.5-foot from a catch basin, in compliance with the

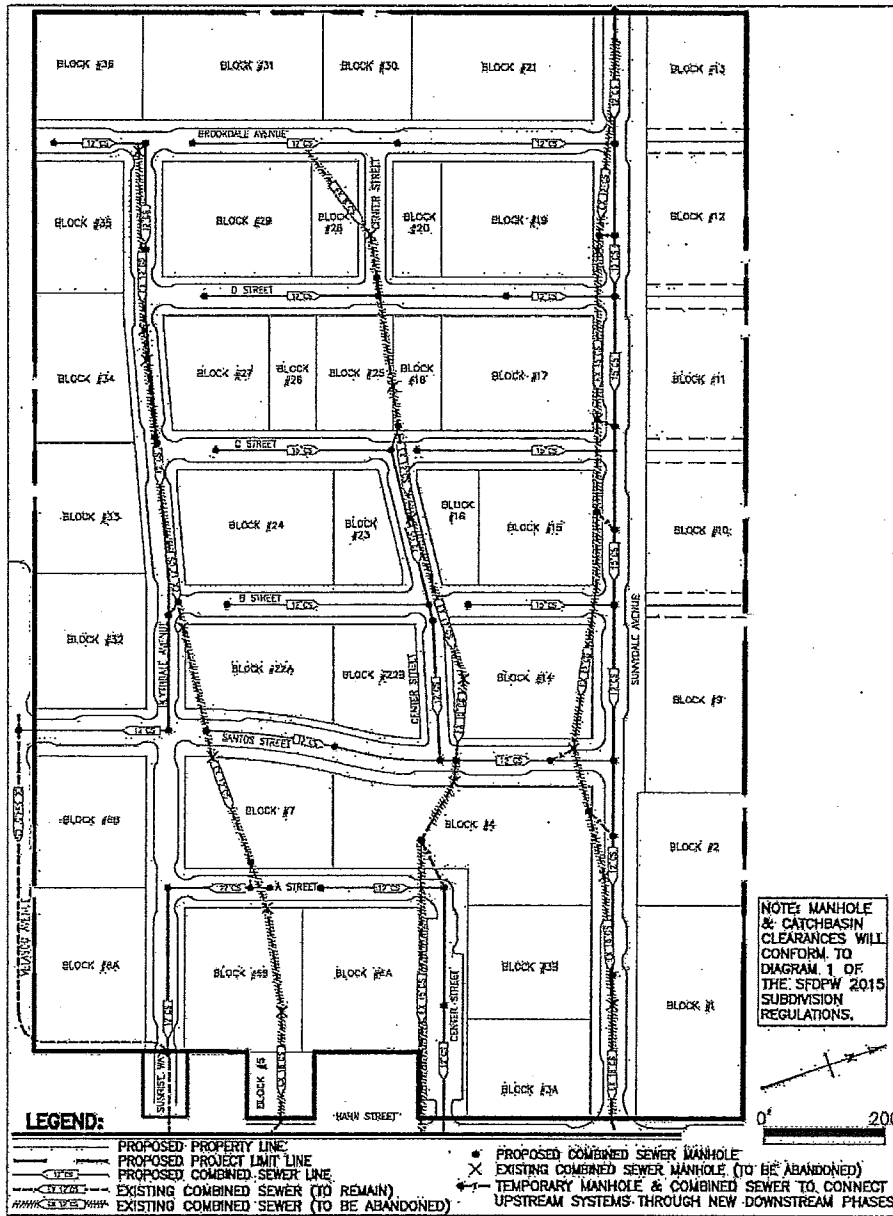
Subdivision Regulations. No public sewer infrastructure will be constructed in easements. Cross sections of the proposed utility layout are shown in Figures 7.7 through 7.10. Final approval of the combined sewer location within the street section and variances for a specific phase of development is subject to SFPUC approval through review of the Street Improvement Plans for that phase of development in accordance with the Subdivision Regulations.

#### 10.2.5 Proposed Combined Sewer Collection System

The proposed combined sewer system is identified schematically on Figure 10.1. The combined sewer system will be designed and constructed by the Developer. Street sewers including street drainage within the new City street rights-of-way will be reviewed and approved by the SFPUC. The new combined sewer system will be maintained and owned by the SFPUC, upon construction completion and improvement acceptance by the City. The proposed system will include stormwater collection structures and sanitary sewer laterals connected by a system of 12-inch to 36-inch gravity combined sewer mains.

Sewer laterals may be connected to sewers using "Tap-tite" connections if the sewer is a minimum twice the size of the lateral. If the sewer is not twice the size or larger than the lateral, a wye or tee must be used. "Tap-tite" connections must have a 2-foot clearance from pipe joints and other connections.

When connecting proposed combined sewer infrastructure to the existing 3'x4.5', ±12' deep, brick sewer on Sunrise Way, Developer will install a precast manhole on the existing 3'x4.5' sewer at the point of connection in conformance with SFDPW "Precast Manhole On Existing Brick Sewer" Std. Detail, File No. 87,185. Drawings detailing the method of manhole installation will be provided in the Street Improvement Plans for each phase of development and approved by SFPUC before connection to the existing sewer will be approved. With the exception of the existing 3'x4.5' brick sewer, no existing sewer infrastructure shall be reused in each phase of new development.



SUNNYSDALE HOPE SF | FIGURE 10.1

CONCEPTUAL COMBINED SEWER SYSTEM

Figure 10.1.

#### **10.2.6. Proposed Combined Sewer Backflow Prevention**

Hydrology models analyzing the Project's combined sewer system from its points of connection to the City mains and upstream through its system, based on hydraulic grade line information at the connection points provided by the City, will be developed as part of the Combined Sewer System Master Plan prior to the 30% Street Improvement Plans for the first phase of development.

#### **10.3 Phases for Combined Sewer System Construction**

The phasing of construction of the new combined sewer system by the Developer will include consideration of several variables, including continuity of existing service connections above and below the current phase as noted by temporary connections ("T") on Figure 10.1, surface routing of overland flows, and project compliance with the requirements of the State of California Construction General Permit. The Developer will design and install the new combined sewer system by phase to support each phase of development within the Project, while allowing for continuity of service where applicable.

Each new residential project within a phase of development will connect to the systems constructed in previous phases as close to the edge of the new phase as possible, while maintaining the integrity of the system for the remainder of the development. A condition assessment will be necessary of adjacent existing pipes before and after construction of each phase. All sewers, manholes, laterals and catch basins shall require testing and videoing prior to acceptance of each phase. Video shall be in NASSCO PACP format unless otherwise specified by SFPUC. Repairs and/or replacement of the existing system or new system constructed for previous phases necessary to serve the new phase will be designed and constructed by the Developer.

The SFPUC will be responsible for the new combined sewer facilities once construction of the infrastructure is complete and accepted by the City. Impacts to the improvements installed in previous phases caused by the design or construction of the current/new phases will be the responsibility of the Developer and addressed prior to approval of the Street Improvement Plans by the City.

## **Section 11 Potable Water System**

### **11.1 Existing Low Pressure Water System**

Existing low pressure water system surrounds the site on Brookdale Avenue (8-inch) coming from the south end, Sunnydale Avenue (6-inch) from the east and west, and on Santos Street (8-inch) on the west side.

### **11.2 Proposed Low Pressure Water System**

Water service will be provided by a water supply, storage, and distribution system owned and operated by the SFPUC. The system will be used for domestic water supply and low pressure fire hydrants.

#### **11.2.1 Project Water Demands**

The project per capita water demands stated as total water demand analysis and required flow rate will be calculated using fixture count methodology and per capita flow estimates for domestic flows. Peaking factors are assumed to follow AWWA standards.

#### **11.2.2 Project Water Supply**

As included in the Project EIR/EIS, the 2010 SFPUC Urban Water Management Plan had accounted for water demands associated with the proposed development of the Project and that development would not require major expansions of the existing water system. In June 2016, the SFPUC adopted the 2015 Urban Water Management Plan for the City and County of San Francisco. As both the proposed project and SFPUC water demand projections have been revised since then, the currently proposed Project has subsequently been accounted for in SFPUC's latest City-wide demand projections provided in its 2013 Water Availability Study. As concluded previously, the development would not require major expansions of the existing water system.

#### **11.2.3 Project Water Distribution System**

The low pressure water system will be designed and constructed by the Developer. The proposed low pressure water system is identified schematically on Figure 11.1. Cross sections of the proposed utility layout are shown in Figures 7.7 through 7.10. Along Blythdale Avenue and Sunnydale Avenue, four existing water connections will line up with an additional existing connection at Santos Street. The project's proposed public street connections will continue to provide an on-site looped system.

The proposed domestic water supply and fire protection system consists of ductile iron pipe mains, low pressure fire hydrants, valves and fittings, and appurtenances. Final pipe sizes, locations, connections and interconnections, flows, pressures, and location and number of fire hydrants will be determined with a hydraulic model analysis using design criteria established by the City. The results of the hydraulic model analysis will be verified



and approved by SFPUC. The potable water infrastructure will be located within the public street pavement such that the outside wall of a water pipe is a minimum of 1-foot clear from the lip of gutter and a minimum of 5-feet clear from a proposed tree trunk. At bulb-outs water main shall be 24" minimum from lip of gutter. The project water system will be modeled by the SFPUC for analysis confirmation and review process to determine on-site system infrastructure requirements. A Low Pressure Water System Master Plan will be submitted to be approved prior to the submittal of the 30% Street Improvement Plans for the first phase.

Vertical and horizontal separation distances between adjacent combined sewer system, potable water, and dry utilities will conform to the requirements outlined in Title 22 of the California Code of Regulations, the State of California Department of Health Services Guidance Memorandum 2003-02, and the Subdivision Regulations.

#### **11.2.4 Proposed Fire Hydrant Locations**

Proposed on-site and off-site fire hydrants will be located at a maximum radial separation of 300 feet between hydrants. In addition, building fire department connections will be located within 100-feet of a fire hydrant. To accommodate the proposed frontage improvements, existing fire hydrants will be relocated or replaced by the Developer. Final hydrant locations are subject to the approval of the SFFD and the SFPUC, and will be located outside of the curb returns per DPW Order 175,387. If fire hydrants are required within the curb returns to meet SFFD requirements, the project will work with the SFPUC and SFDPW to request an exception per Sections VI and VII of DPW Order 175,387.

#### **11.3 Phases for Potable Water System Construction**

The Developer will design and install the new potable water system in advance of or in phases to match the phases of the Project. The amount of the existing system replaced with each phase may be the minimum necessary to serve the phase.

The new phase will connect to the existing systems as close to the edge of the phase area as possible, while maintaining the integrity of the existing system for the remainder of the development. Repairs and/or replacement of the existing facilities necessary to serve the phase will be the responsibility of the Developer.

The SFPUC will be responsible for the new water facilities once construction of the infrastructure is complete and accepted by the City. Impacts to the improvements installed by previous phases caused by the design or construction of the current/new phases will be the responsibility of the Developer and addressed prior to approval of the Street Improvement Plans by the City.

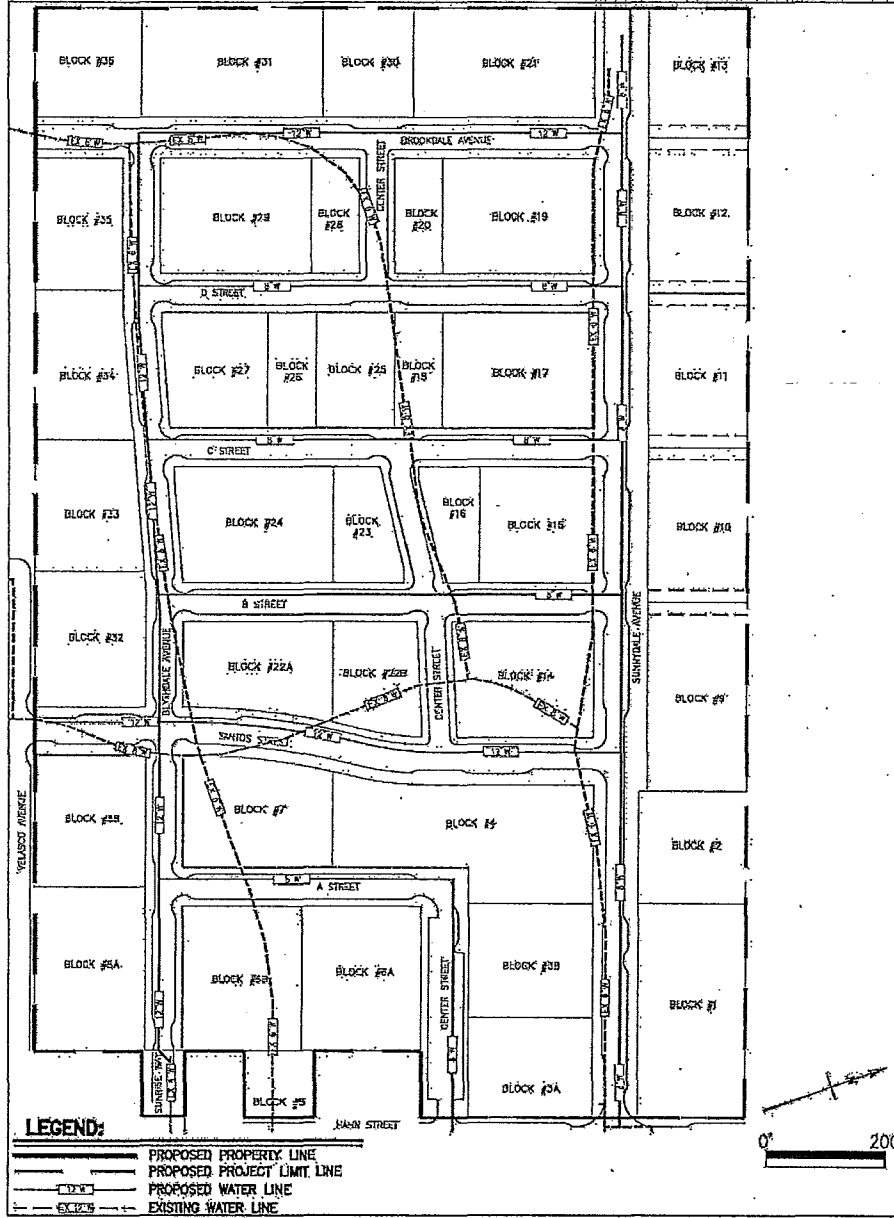


Figure 11.1

## **Section 12 Recycled Water and Greywater**

### **12.1 Recycled Water Assessment**

Currently, neither existing nor planned recycled infrastructure exists within the vicinity of the Project Site. The existing site does not contain infrastructure for recycled water, nor did the former site facilities include recycled water infrastructure or similar on-site systems. The nearest existing source of recycled water is North San Mateo County Sanitation District's water treatment plant in Daly City; however, there is no recycled water conveyance infrastructure serving the Project Site.

SFPUC's Recycled Water Master Plan for the City and County of San Francisco (March 2006) calls for the expansion of the auxiliary water supply system, including an upgrade of SWPCP and extension of recycled water pipelines. However, these pipelines are not planned to extend to the Project site, with the nearest system termination points located at Salinas Avenue and Third Street in the Bayview Neighborhood and San Bruno Avenue and Mansell Street in the Portola Neighborhood. Correspondingly, the Project Site is located outside the Reclaimed Water Use Ordinance Area.

Currently, the SFPUC is conducting a recycled water demand assessment of potential users and uses in the eastern areas of San Francisco. The 2012 Recycled Water Project Needs Assessment Report examined the potential uses of recycled water for irrigation, toilet flushing, and various commercial and industrial applications. The report does not identify the Sunnydale HOPE site among potential users.

Since a recycled water source and service is not available, the proposed project does not intend to design or construct recycled water infrastructure at the Project Site.

The Project Site will not be developed with a master plan greywater system. The evaluation of the need and benefits of reusing greywater will be made for individual housing parcels and community facility parcels.

### Section 13 Auxiliary Water Supply System

The San Francisco Public Utilities Commission (SFPUC), in cooperation with the San Francisco Fire Department (SFFD), owns and operates the Auxiliary Water Supply System (AWSS), a high pressure non-potable water distribution system dedicated to fire suppression that is particularly designed for reliability after a major seismic event. Currently, AWSS infrastructure does not exist within or directly adjacent to the Project Site.

Following a major seismic event, new developments within the City must meet fire suppression objectives that were developed by the SFPUC and SFFD. The SFPUC and SFFD will work with the Developer to determine post-seismic fire suppression requirements during the planning phases of the Project. Requirements will be determined based on increase in building density, fire flow and pressure requirements, City wide objectives for fire suppression following a major seismic event, and proximity of new facilities to existing AWSS facilities. AWSS improvements will be located in the public right of way or on City property, as approved by the SFPUC.

To meet the SFPUC and SFFD AWSS requirements, the development may be required to incorporate infrastructure and facilities that may include, but are not limited to:

- Multiple underground water storage cisterns, typically 75,000 gallons each;
- Seismically reliable high-pressure water piping and hydrants with connection to existing AWSS distribution system;
- Independent network of seismically reliable low-pressure piping and hydrants with connection to existing potable water distribution system at locations that are determined to be seismically upgraded by SFPUC;
- Saltwater pump station that supplies saltwater to the AWSS distribution piping following a major seismic event;
- Piping manifolds along waterfront that allow fire trucks to access and pump sea or bay water for fire suppression; and/or
- Portable water supply system (PWSS) including long reaches of hose and equipment mounted on dedicated trailers or trucks.

Project specific requirements have not been fully analyzed by the SFPUC and SFFD in time for the publication of this Master Infrastructure Plan. Final design of the AWSS solution for the Project Site will be determined by the SFPUC and SFFD.

The Developer will construct the new AWSS per the Phasing Plan in the DA. The SFPUC will be responsible for the new AWSS facilities once construction of the infrastructure is complete and accepted by the City. Impacts to the improvements installed in previous infrastructure phases caused by the design or construction of the current/new infrastructure

phases will be the responsibility of the Developer and addressed prior to approval of the infrastructure improvement drawings by the City.

## **Section 14 Dry Utility Systems**

### **14.1 Existing Electrical, Gas, and Communication Systems**

The existing dry utility systems currently serving the Sunnydale public housing consist of the following:

#### **14.1.1 Electrical Service**

The Sunnydale public housing improvements and site are owned and operated by the San Francisco Housing Authority ("SFHA"). The electric distribution system currently serving the Sunnydale area is shown in Figure 14.1. PG&E electric distribution facilities in the area, taken from PG&E PV and RAM Program maps, are shown in Figure 14.2, which shows that the Sunnydale public housing site is currently fed by one PG&E 4kV feeder (H-0405). The area is served by PG&E's Martin Substation. Power is distributed to residents via SFHA-owned primary and secondary overhead facilities. The secondary power is metered at a number of locations by building; service to individual units is not individually metered. The SFHA pays for all electrical service usage.

This overhead system is owned by the SFHA, with repair and emergency response services on the high voltage lines provided by SFPUC, according to an MOU, and consists of overhead pole mounted lines with pole mounted transformers. SFHA's system interconnects with PG&E's 4 kV feeder via SFHA's overhead pole located on Hahn Street just south of Sunnydale Avenue. Two single phase feeders run through the project site. These feeders have two hot phase wires and one neutral wire. The development of residential buildings and supporting infrastructure for Phases 1A-1 and 1A-2 (Blocks 6A and 6B, the first on-site blocks that the Developer plans to build) will require demolition that will necessitate revised routing of existing electrical service to ensure that the existing buildings and infrastructure "upstream" continue to have power (as well as telecommunications) service.

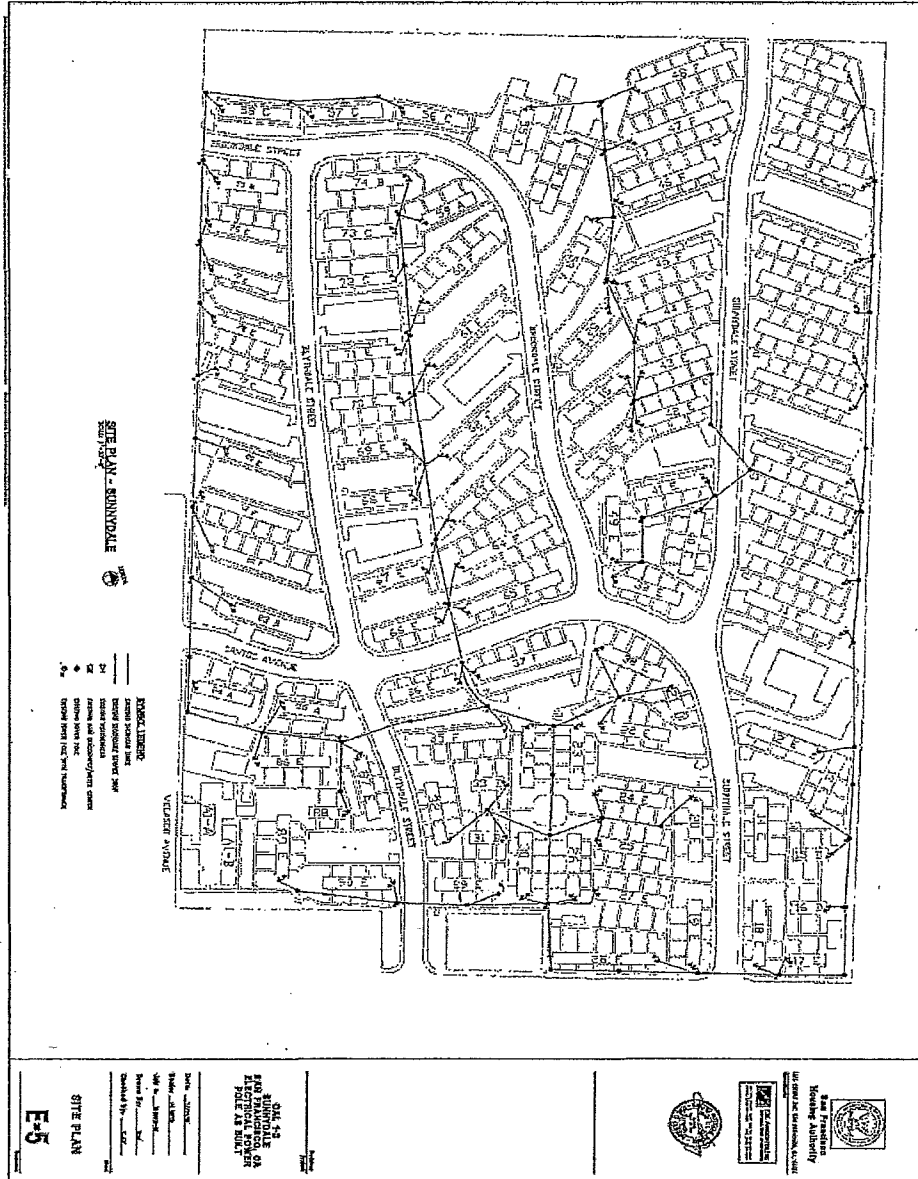
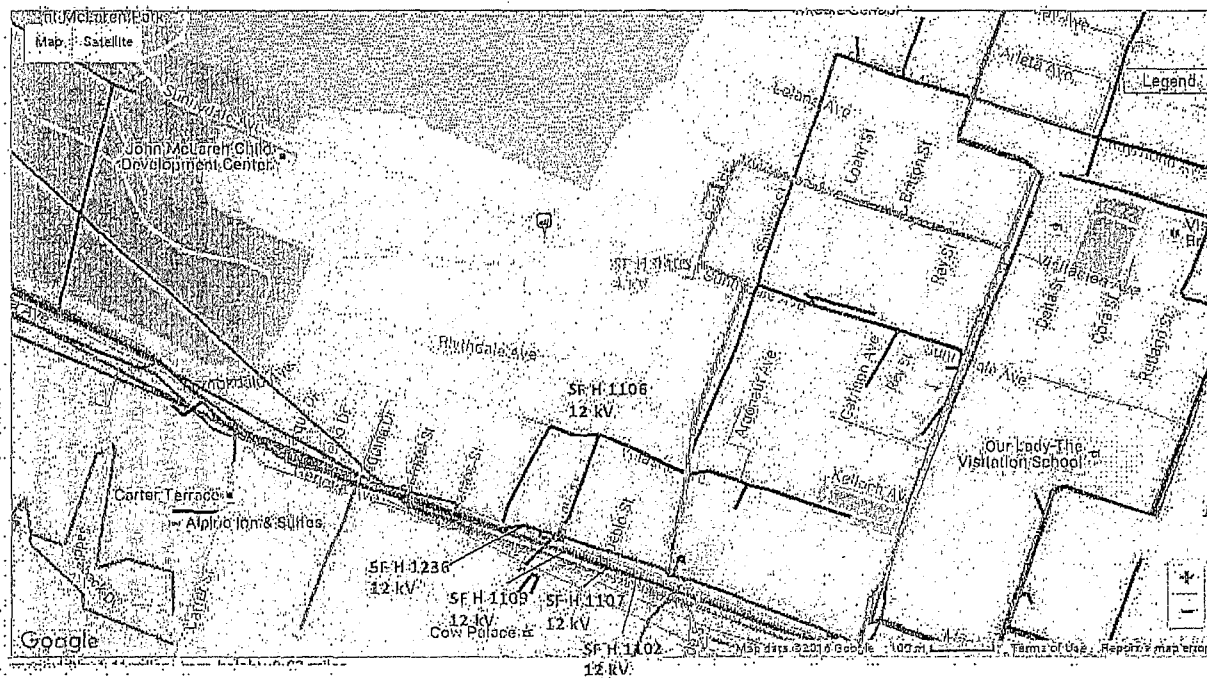


Figure 14.1 – Existing Electrical distribution at Project Site

# PG&E Distribution Map (Sunnydale Area)



Intertie: July 25, 2016

Source: PG&E RAM Program Map

Figure 14.2

Sunnydale HDPE SF Master Infrastructure Plan

#### **14.1.2 Gas Service**

Existing gas service is provided by PG&E. Gas mains enter the Sunnydale property at both the east and west ends of Sunnydale Avenue, from the southwestern corner of the property at Brookdale Avenue, and for a limited number of buildings directly from Hahn Street. The gas distribution system is shown schematically on Figure 14.3. As with the electrical services, gas service to each building is metered for the building as a whole; the SFHA pays for all gas service usage. The new development infrastructure will incorporate new gas mains and service to each new phase of development.



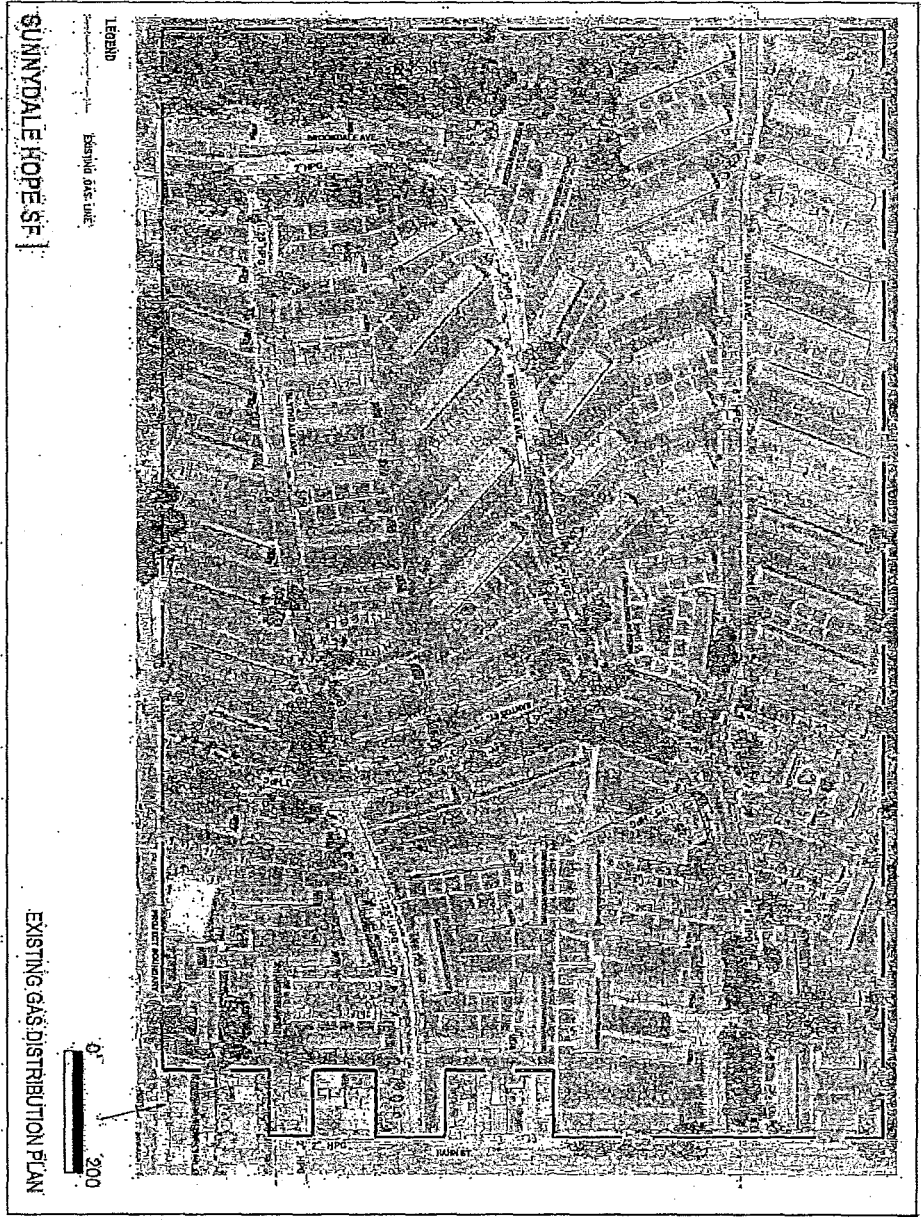


Figure 14.3

#### **14.1.3 Communication Systems**

Phone, cable TV and internet services are provided via overhead pole mounted lines carrying the services provided by AT&T and Comcast. These telecommunication services enter the Sunnydale property at several locations – from Velasco, on the south; from Brookdale, on the west; from Hahn, on the east – and circulate through the interior of the site via the same network of private utility poles that distribute electrical service. Individual residents are responsible for arranging for service to their unit. The new development infrastructure will incorporate communication services to each new phase of development.

#### **14.1.4 Streetlights**

The streets within the existing Sunnydale project are lit by a system of streetlights owned by the SFHA and powered by SFPUC electricity through the SFHA-owned electrical distribution system, which as noted above is maintained by the SFPUC. The new development infrastructure will incorporate a new streetlight system to illuminate the revised street grid. Please see Section 7.6 for more information about the streetlights.

#### **14.1.5 City/County of San Francisco Emergency Communication System**

The City maintains a system of fiber-optic underground cables throughout the City, carrying its emergency communications used by the Police and Fire Departments and managed by the City's Department of Technology ("DT"). The joint trench design engineer will coordinate with DT staff to ensure that the conduit composing the distribution system for these DT facilities located within the joint trench meets the City's requirements.

#### **14.2 Project Power Providers and Requirements**

Chapter 99 of the City of San Francisco Administrative Code requires the City to consider the feasibility of supplying electricity to new development projects. The SFPUC, as the current electrical service provider, has determined its intent to continue to serve as the electrical service provider. The Developer has engaged a joint trench engineer to design the dry utility distribution system, and will work closely with SFPUC power enterprise staff to design the system, including the location of the required switchgear to transition from the PG&E- provided power near the Project Site to SFPUC power. The City has stated its intent to provide electric service to the Project on terms and conditions generally comparable to, or better than, the electric service otherwise available from PG&E, both in up-front costs and, more critically, in costs to the residents of the Project. Electrical service shall be provided by the City according to the SFPUC's Rules and Regulations Governing Electrical Service, with the electric rates as adopted by the City. A potential electrical switchgear location and layout to serve the Project is shown in Figure 14.5.

### 14.3 Proposed Joint Trench

The Developer will be responsible for designing, obtaining design approval of, and constructing a Joint Trench in which all of the dry utilities will be distributed throughout the Project. The proposed Joint Trench is identified schematically on Figure 14.4 and 14.4.1.

Work necessary to provide the joint trench for dry utilities, for which the Developer will be responsible and which is typically installed within to-be-dedicated public streets and adjacent sidewalk and planting areas, consists of trench excavation and backfill, and installation of conduit, utility vaults and splice boxes for electrical distribution, communication lines, and streetlights, as well as gas mains. Additionally, Developer will install street lights and bases. Where streetlights are required on both sides of streets to provide adequate illumination, the streetlights on the side of the street opposite from the joint trench will be installed as a separate run of conduit.

Electric, power systems and streetlights will be constructed per the applicable SFPUC standards. The utility owner/franchisees (SFPUC, PG&E, AT&T, Comcast and/or other communication companies) have provided the Developer with the option of installing facilities such as transformers, switches and wire, at the Developer's choice. All necessary and properly authorized public utility improvements for which franchisees are authorized by the City shall be designed and installed in the public right-of-way in accordance with permits issued by SFPUC. Joint trenches or utility corridors will be utilized wherever allowed. The location and design of joint trenches or utility corridors in the public right-of-way, documented in the Infrastructure Improvement Plan for each phase of development, must be approved by SFPUC during the subdivision review process, to be coordinated by the City's Infrastructure Task Force. The precise location of the joint trench in the right-of-way will be determined prior to recording the applicable Final Map for each phase of development, and will be identified in the Infrastructure Improvement Plans for that phase. Nothing in this MIP shall be deemed to preclude the Developer from seeking reimbursement for or causing others to obtain consent for the utilization of such joint trench facilities where such reimbursement or consent requirement is otherwise permitted bylaw.

### 14.4 Phases for Dry Utility Systems Construction

The Developer will design and install the new joint trench systems in conjunction with and as required to support each successive phase of residential development. The amount of the existing system replaced with each phase of development will be the minimum necessary to serve that phase and ensure that development of the subsequent phase of joint trench does not require destruction of previously installed facilities. Each phase of development will connect to the existing systems as close to the edge of the new phase as possible while maintaining the integrity of the existing system and ensuring that adjacent existing buildings that remain occupied during and after development of that phase retain electrical, gas and communication service both during and after construction of the phase. Maintaining

the integrity of the existing system will be the responsibility of the Developer.

Repairs and/or replacement of the existing facilities necessary to serve the new residential development will be designed and constructed by the Developer.

The SFPUC will be responsible for maintenance of existing facilities until replaced by the Developer and will be responsible for the new power facilities once the residential development or new power facility is complete and accepted by the SFPUC.

Impacts to improvements installed with previous phases of development due to the designs of the new phase will be the responsibility of the Developer and addressed prior to approval of the construction drawings for the new phase.

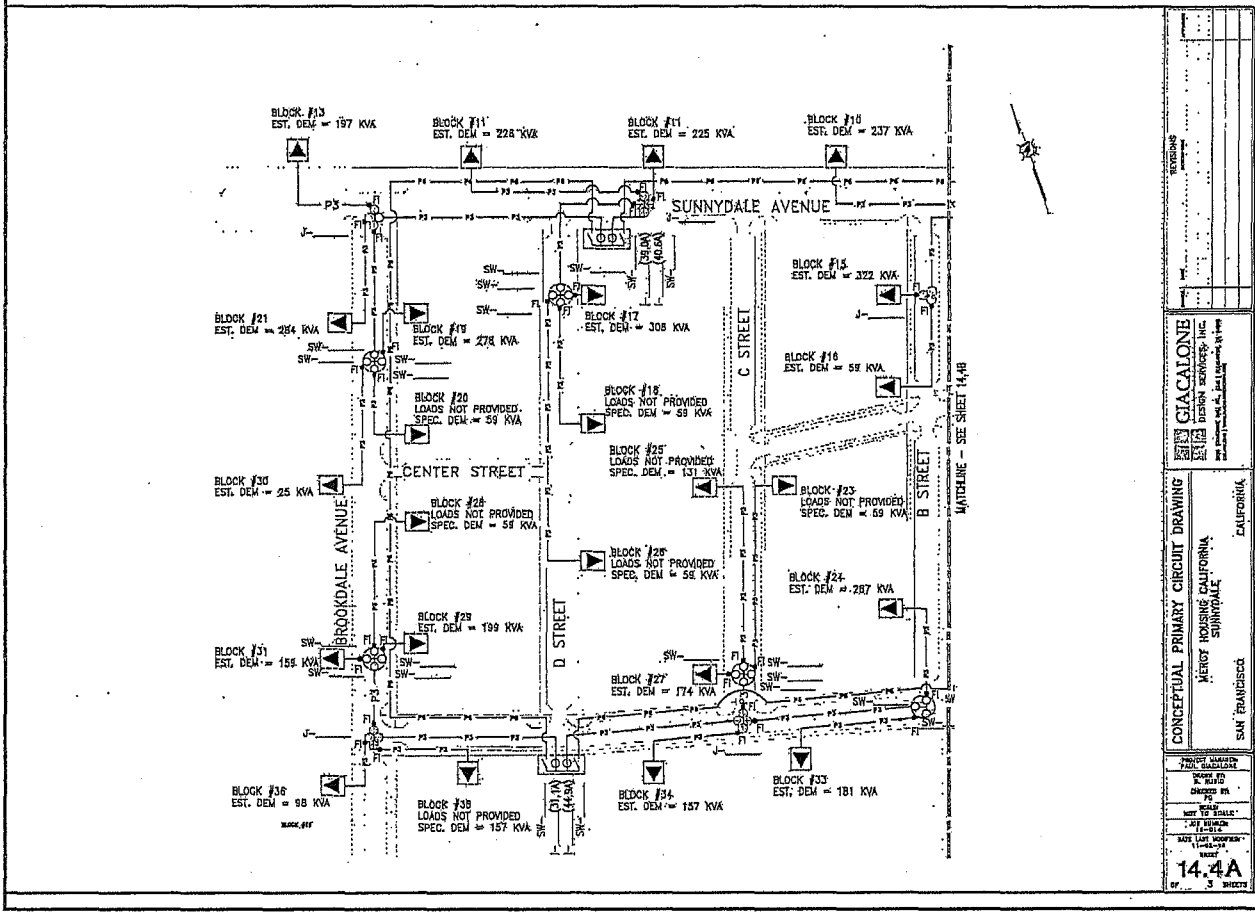


Figure 14.4 Conceptual Joint Trench Plan

Sunnydale HOPE SF Master Infrastructure Plan

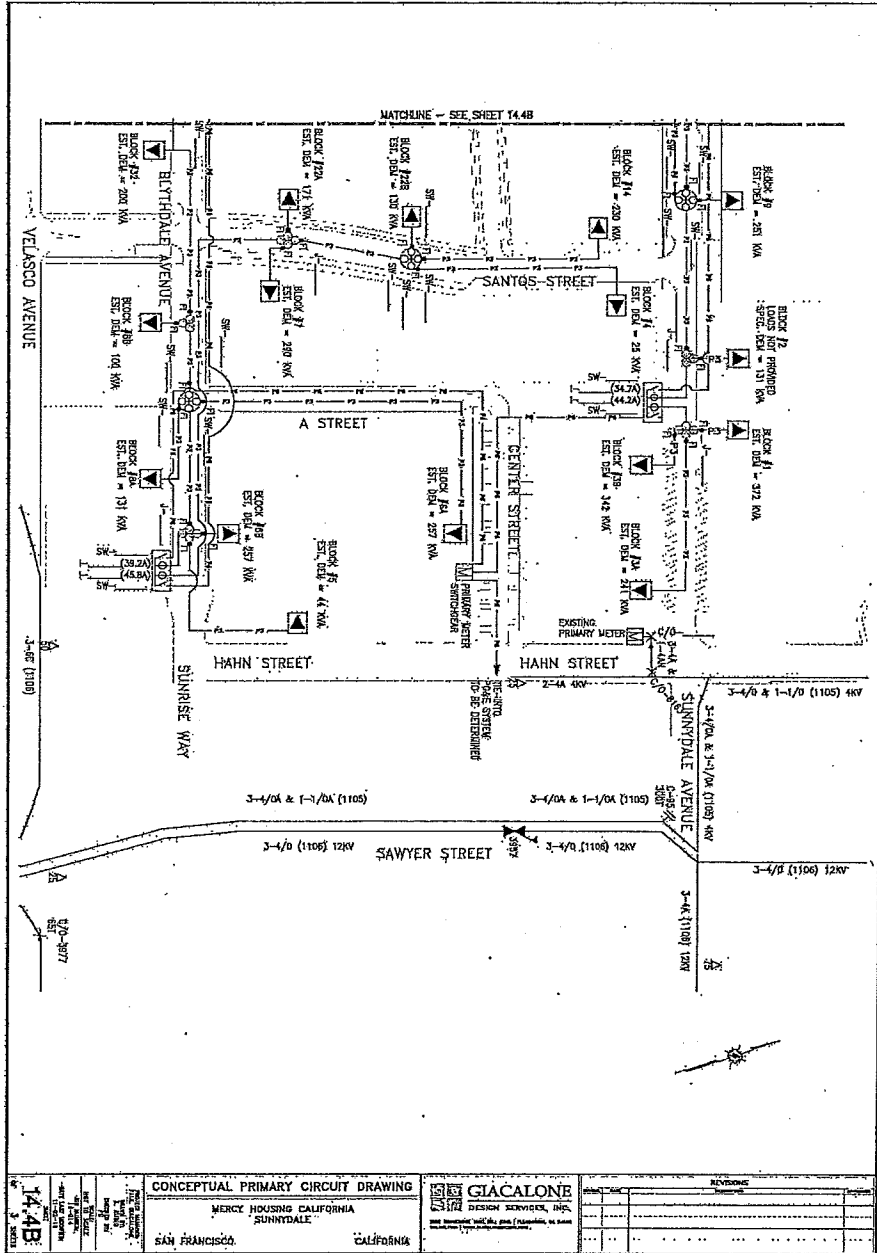


Figure 14.4.1 Conceptual Joint Trench Plan

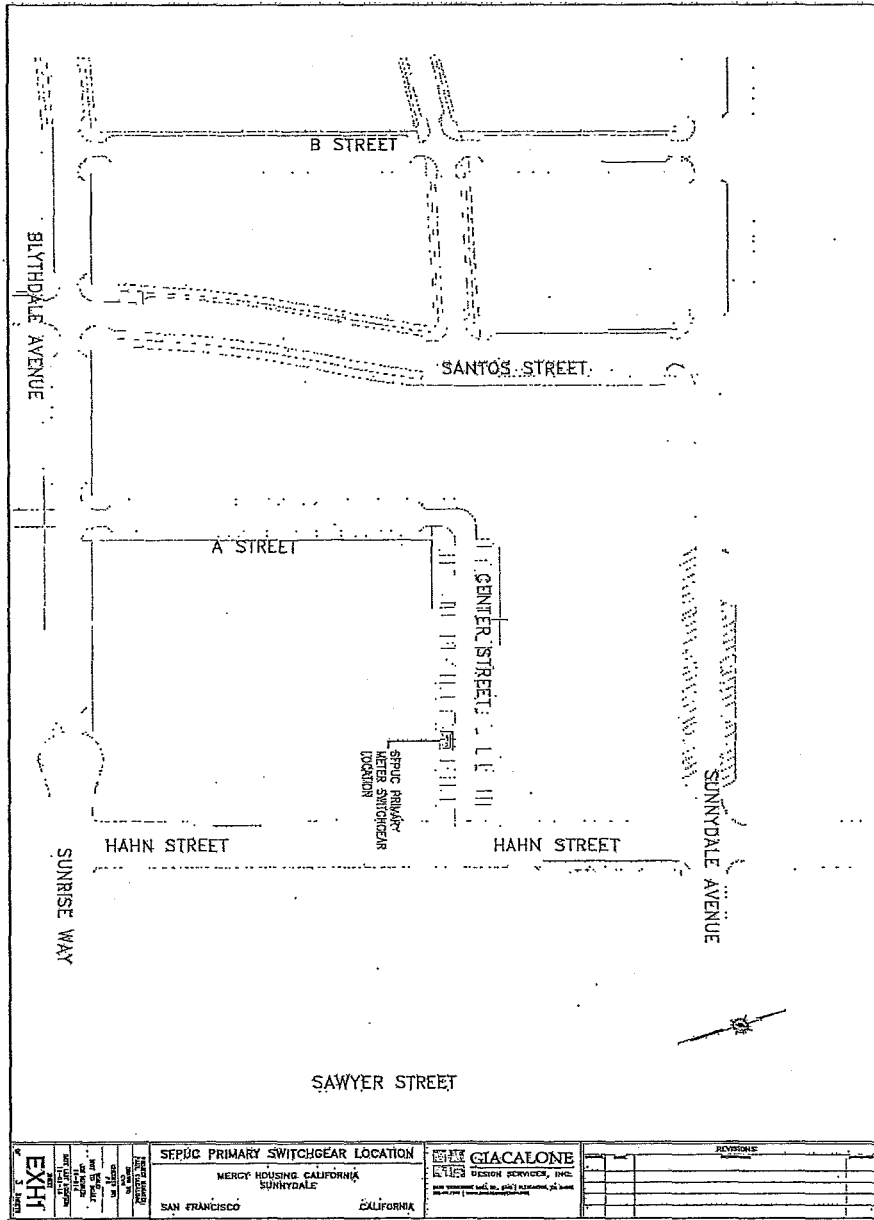


Figure 14.5 Electrical Switchgear Location

Sunnydale HOPE SF Master Infrastructure Plan

## **Section 15 Future Infrastructure Documentation Submittal Requirements**

Following City approval of this Master Infrastructure Plan ("MIP"), the Developer shall submit the following subsequent infrastructure related design documents to the City for review and approval to ensure that all proposed infrastructure improvements, including public water, wastewater, stormwater management, dry utilities (including SFPUC power) and public right-of-way improvements meet all requirements and standards of the City.

### **15.1 Phased Development Project Construction Documents**

Following approval of the MIP, and in conformance with an approved Tentative Parcel Map, the Developer plans to design and construct a series of phased development projects, each consisting of a residential development on at least one parcel of property, along with the infrastructure required to support that phased development project.

For each phase of development, the Developer shall prepare and submit for City review a set of Street Improvement Plans (i.e. - street and infrastructure plan construction documents (CD's)), comprehensively documenting the infrastructure to be constructed in conjunction with that phase of development. The Street Improvement Plans will be submitted to the City for review at the 30%, 60% and 90% completion stages. A 100% of Street Improvement Plans will be submitted for permit.

### **15.2 Master Utility Plans (MUPs)**

To advance the design of the various infrastructure systems (domestic and fire water, AWSS, combined sewer, stormwater management, dry utilities, and public right-of-way improvements), the Developer shall prepare MUPs that provide the City with adequate information to generally determine the feasibility of the proposed system to serve the full Project upon completion. The electrical utility MUP shall include information required by the SFPUC to adequately review the proposed systems.

These MUPs shall be submitted and approved prior to the 30% Street Improvement plans for the initial phase of development. The Developer shall submit MUPs for review and approval, as outlined below, that cover site wide infrastructure issues.

#### **15.2.1 Low Pressure Water System Master Plan**

The MUP shall include the following, at a minimum:

- Written description and figures showing the proposed water system layout, sizes, materials, depths, and hydrants.
- Flow demands and supporting calculations, including methodology,
- Written description and figures showing all proposed pump stations or non-pipe facilities proposed as part of the project.
- Figures showing all proposed points of connection with existing SFPUC-



owned water infrastructure as appropriate. (City standard connection details to existing infrastructure will be provided with 30% CD's.)

- Figures showing proposed service connections to parcels. (City standard service connection details will be provided with 30% CD's.)
- Written description and figures showing any proposed underground water-related structures in the public ROW.
- Description and figures showing and proposed easements for future public water facilities.
- Updated description and figures showing any revised project phasing.
- A written description and figures demonstrating that a functioning water system will be in place at all times that complies with all City laws, codes and regulations at all phases of development, up to and including full build-out of the Project.
- A written description and figures outlining any proposals for variances to SFPUC standards for water main location within street sections for review and approval on a case-by-case basis (such approval will not be granted as part of the MUP approval).

#### **15.2.2 The Combined Sewer System Master Plan**

The MUP shall include the following, at a minimum:

- A written description and figures demonstrating that a functioning wastewater infrastructure system will be in place at all times and complies with all City laws, codes and regulations at all phases of development up to and including full build out of the Project.
- Stormwater Capacity Analysis for entire development including modeling (SWMM or equivalent) to demonstrate that the Project will provide adequate collection system capacity. The Analysis shall include detailed sanitary sewer and stormwater flows based on anticipated building usage and development plan, analyzing the impact of the project on downstream infrastructure (points of connection to the existing public combined sewer system), localized wet weather flooding; and combined sewer system surcharges into streets at full build out. The analysis shall include a detailed description of all assumptions and calculation methods used, including explanation and reference for selected peaking factors.
- A written description and figures outlining any proposals for variances to the SFPUC standards for the combined sewer location within the street section for review and approval of the SFPUC on a case-by-case basis (such approval will not be granted as part of the MUP approval).
- In the event that hydraulic modeling is necessary to confirm that the City system can accommodate flows from the Project, those studies will be conducted by the City as a reimbursable City cost.
- Written description and figures showing the proposed gravity pipe and force main layout, sizes, materials, depths, velocities and slopes.

- Written description and figures showing all proposed pump stations or non-pipe facilities proposed as part of the project.
- Figures showing all proposed points of connection with existing SFPUC-owned sewer infrastructure as appropriate. (City standard connection details to existing infrastructure will be provided with 30% CD's.)
- Figures showing proposed service connections to parcels. (City standard service connection details will be provided with 30% CD's.)
- Written description and figures showing any proposed underground sewer-related structures in the public ROW.
- Description and figures showing any proposed easements for future sewer facilities.
- Updated description and figures showing any revised project phasing.

#### **15.2.3 The Grading and Overland Release Master Plan**

The master plan shall include the following:

- Written description and figures generally showing the overland flow path for the 100-year storm, outlet locations, and drainage boundaries.
- A hydrologic/hydraulic modeling analysis to demonstrate overland flow will be managed at full project build out as required in applicable codes and regulations. The analysis shall include all proposed surface improvements in the development phase that could impede overland flow paths in the ROW such as raised intersections, curb less street designs, bulb-outs, etc. If site designs cannot meet the SFPUC requirements for overland drainage release, alternative solutions will be developed with the submittal of the 30% Street Improvement Plans for the initial phase of development.
- A final geotechnical investigation that covers development of the public street rights-of-ways and open spaces for the entire project and demonstrate to the SFPUC that appropriate mitigation measures such as soil and foundation improvements will be constructed by the Developer to minimize differential settlement across the building parcel.
- Updated description and figures showing any revised project phasing.

#### **15.2.4 The Stormwater Master Utility Plan**

The MUP shall include the following:

- A modeling analysis (SWMM or equivalent) demonstrating to the SFPUC that the project's stormwater management approach and layout for full build-out as well as all phases prior to full build out of the Project, including stormwater management are adequate to meet the performance quantities and strategies required by the SFPUC stormwater management regulations and the requirements of the

Stormwater Management Requirements.

- Conceptual details showing any proposed stormwater management controls, as appropriate.
- A project wide Maintenance Assessment of the maintenance required for the proposed Stormwater Controls as well as a description of the funding mechanism that will be in place to perform that maintenance.
- Updated description and figures showing any revised project phasing.

**15.2.5 The Electrical Master Utility Plan**

This master utility plan shall be submitted as described in the SFPUC's Rules & Regulations Governing Electrical Service, Appendix II. The study shall contain the following information:

- Single line diagrams, and a site-wide exhibit showing general routing of distribution cables and key facilities such as switches and switchgear, for an electrical system that is consistent with any approved development plan.
- A phasing plan identifying major development milestones sequencing with estimated time schedules.
- Existing site maps, proposed land use plans, estimated number of proposed units and configuration, gross unit area, projected demand and annual energy loan estimates for at least five years.
- (Please refer to the SFPUC's Rules & Regulations Governing Electrical Service found online at <http://sfwater.org/index.aspx?page=172>)
- Typical joint trench configuration
- Written description and figures showing any proposed underground dry utility-related structures in the public ROW.
- Description and figures showing any proposed easements for future dry utility facilities.
- Updated description and figures showing any revised project phasing.

Additionally, this MUP shall include streetlighting:

- Proposed streetlight locations
- Proposed fixture type(s)
- Classification information for each street (or street segment, as applicable)
- Streetlight design criteria/relevant regulations

Infrastructure improvement plans for streetlights must include photometric calculations and specifications.

**15.2.6 Phase Specific Hydraulics/Hydrology Plans**

Each set of Street Improvement Plans documenting the infrastructure to be built to support a phase of development shall include a development phase Hydraulics and

Hydrology Plan including:

- Updated Development Phase Combined Sewer System Capacity Analysis of sanitary sewer and storm drain flows for the development phase based on anticipated building usage and the development plan. This analysis shall also include an assessment of the impact of the development phase on upstream and downstream infrastructure, localized wet weather flooding, and combined sewer system surcharges into streets. The analysis shall include a detailed description of all assumptions and calculation methods used, including explanation and reference for selected peaking factors.
- Updated Overland Flow analysis for development phase demonstrating that overland flow will be contained in conformance with City standards and Subdivision Code requirements during and after construction of the development phase in question as required in applicable codes and regulations. The analysis shall include all proposed surface improvements in the development phase that could impede overland flow paths in the ROW such as raised intersections, curbsless street designs, bulb-outs, etc. The analysis shall also describe any necessary off-site improvements to be constructed by the Developer deemed reasonably necessary to protect publicly- and privately-owned property upstream and downstream. The need or absence of need, for any such off-site improvements shall be demonstrated by the Developer by determining the 100 year overland flows at the Project Site for both existing conditions and for the proposed Development Phase in question. The analysis shall include a detailed description of all assumptions and calculation methods used.
- Updated Stormwater Management Plan for development phase, demonstrating how the development phase in question will comply with federal, state and City laws, codes and regulations in effect as of the date any such application is submitted, including but not limited to the Stormwater Management Ordinance.
- Updated Maintenance Assessment: Each development phase will include, if appropriate, an assessment of the activities required to appropriately maintain the proposed Stormwater Controls. If SFPUC has identified a failure to maintain the Stormwater Controls of previous phases, the SFPUC shall not be required to approve the any subsequent phase applications until such maintenance failure is resolved.

**15.3 Street Improvement Plans**

Street Improvement Permit applications shall include then following:

- Standard specifications for use with all subsequent improvement phases will be submitted with the first phase of development. Subsequent improvement phases will conform to the approved standard specifications subject to future changes allowed by the DA. Phase specific specifications to supplement the standard specifications will be submitted for review and approval, as needed.

- Proof of conformance with infrastructure requirements outlined in the applicable Tentative Map conditions, City regulations, the MIP, and the phase applications.
- Proof of conformance with mitigations identified in the phase application to alleviate impact of the development project on downstream infrastructure, minimize localized flooding, minimize combined sewer system surcharges, and safely manage overland flow.
- Proof of conformance with the stormwater management requirements applicable to the project at the time of submission including:
  - Preliminary Stormwater Control Plan at conceptual design first construction document (30% construction documents)
  - Final Stormwater Control Plan at detailed design (100% construction documents)
- Proof of conformance with the City's construction site runoff requirements, including a Storm Water Pollution Prevention Plan/Erosion and Sediment Control Plan
- Details of the connection to existing, off-site infrastructure.
- Listing on the plans of how environmental mitigation measures (from the EIR) have been addressed.

**EXHIBIT Q**

**RESERVED**

**EXHIBIT R**

**RESERVED**

**EXHIBIT S**

**FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT**

RECORDING REQUESTED BY  
CLERK OF THE BOARD OF SUPERVISORS  
OF THE CITY AND COUNTY OF SAN FRANCISCO  
(Exempt from Recording Fees  
Pursuant to Government Code  
Section 27383)

AND WHEN RECORDED MAIL TO:

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

**ASSIGNMENT AND ASSUMPTION AGREEMENT  
RELATIVE TO DEVELOPMENT AGREEMENT  
FOR SUNNYDALE DEVELOPMENT CO.**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Assignment") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ ("Assignor") and \_\_\_\_\_, a \_\_\_\_\_ ("Assignee").

**RECITALS**

A. Sunnydale Development Co., LLC, a California limited liability company ("**Developer**"), and 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, the Housing Authority of the City and County of San Francisco, a public body, corporate and politic ("**SFHA**"), entered into that certain Development Agreement dated for reference purposes as of \_\_\_\_\_, 2016 (the "**Development Agreement**"), with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement (the "**Project Site**"). The Development Agreement was recorded in the Official Records of the City and County of San Francisco on \_\_\_\_\_ as Document No. \_\_\_\_\_.

*[add recital to document any previous transfer of the Transferred Property, with recording information]*

B. The Development Agreement provides that Developer (Assignor) has the right to:  
(i) Transfer all or a portion of the Project Site, (ii) assign all of its rights, title, interest and



obligations under the Development Agreement to a Transferee with respect to the portions of the Project Site transferred to the Transferee, and (iii) upon the recordation of an approved Assignment and Assumption Agreement, to be released from any prospective liability or obligation under the Development Agreement related to the Transferred Property as set forth in Section 12.3 of the Development Agreement.

C. Assignor intends to convey certain real property as more particularly identified and described on Exhibit A attached hereto (hereafter the “**Transferred Property**”) to Assignee. The Transferred Property is subject to the Development Agreement.

D. Assignor desires to assign and Assignee desires to assume Assignor's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Transferred Property, as more particularly described below.

### ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Defined Terms. Initially capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Development Agreement.

2. Assignment of Development Agreement. Assignor hereby assigns to Assignee, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property (the “**Transferred Rights**”), including any Community Benefits and certain obligations that are tied to Buildings on the Transferred Property (the “**Transferred Obligations**”). Assignor retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other portions of the Project Site owned by Assignor.

- a. The Transferred Obligations shall include only the following to the extent attributable to the Transferred Property:
- b. The Transferred Rights shall include the following to the extent applicable to the Transferred Property:

*[vested rights (if any)]*

3. Assumption of Development Agreement. Assignee hereby assumes, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property, including its associated Community Benefits, and agrees to observe and fully perform all the duties and obligations of Assignor under the Development Agreement with respect to the Transferred Property, and to be subject to all the terms and conditions thereof with respect to the Transferred Property. The parties intend that, upon the execution of this

Assignment and conveyance of the Transferred Property to Assignee, Assignee shall become the "Developer" under the Development Agreement with respect to the Transferred Property.

4. Reaffirmation of Indemnifications. Assignee hereby consents to and expressly reaffirms any and all indemnifications of the City and SFHA set forth in the Development Agreement, including without limitation Section 6.13 and Section 15.20.2 of the Development Agreement.

5. Assignee's Covenants. Assignee hereby covenants and agrees that: (a) Assignee shall not challenge the enforceability of any provision or requirement of the Development Agreement, including Costa-Hawkins Act provisions and waivers as applicable; (b) Assignee shall not sue the City in connection with any and all disputes between Assignor and Assignee arising from this Assignment or the Development Agreement, including any failure to complete all or any part of the Project by any party; and (c) Assignee shall indemnify the City and its officers, agents and employees from, and if requested, shall defend them against any and all Losses resulting directly or indirectly from any dispute between Assignor and Assignee arising from this Assignment or the Development Agreement or from any failure to complete all or and part of the Project by any party, and for any harm resulting from the City's refusal to issue further permits or approvals to a defaulting party under the terms of the Development Agreement.

6. Restored Obligations. Assignor and Assignee hereby acknowledge and expressly consent to the Restored Obligations requirements set forth in Section 13.1 of the Development Agreement.

*[Restored Obligations do not apply to Market Rate parcels; add provision regarding transfer of existing bonds or security, or Assignee's provision of new bonds or security to replace the bonds or security provided by Developer or a predecessor transferee]*

Binding on Successors. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Notices. The notice address for Assignee under Section 15.11 of the Development Agreement shall be:

To Assignee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

To Assignor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

With a copy to: [City Attorney's Office, MOHCD, SFHA, Planning Department]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

9. Counterparts. This Assignment may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

10. Governing Law. This Assignment and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law.

IN WITNESS HEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

**ASSIGNOR:**

[insert signature block]

**ASSIGNEE:**

[insert signature block]

**EXHIBIT T**

**RESERVED**

**EXHIBIT U**

**SUBORDINATION AGREEMENT**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

(Space above this line reserved for Recorder's  
use only)

**CONSENT AND SUBORDINATION AGREEMENT**

THIS CONSENT AND SUBORDINATION AGREEMENT RESULTS IN THE LIEN OF A DEED OF TRUST AND RELATED DOCUMENTS ON PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME LATER INSTRUMENTS AND AGREEMENTS AS EXPRESSLY SET FORTH HEREIN.

THIS CONSENT AND SUBORDINATION AGREEMENT, dated as of \_\_\_\_\_, 201\_ (this "Agreement"), is by and between \_\_\_\_\_, AS TRUSTEE, FOR THE HOLDERS OF THE NOTES DESCRIBED ON EXHIBIT A (or such substitute Holders of the Notes from time to time) (collectively, together with its successors and assigns, the "Lender"), SUNNYDALE DEVELOPMENT CO., a California limited liability company ("Developer"), the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California ("City"), and the HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic ("SFHA").

**RECITALS**

A. [DESCRIBE RELEVANT PARCEL(S), INCLUDING APPLICABLE PARTY/IES OWNERSHIP/LEASEHOLD INTEREST], as more particularly described in Exhibit A attached hereto (the "Property").

B. Lender made a loan (the "Loan") to Developer in the principal face amount of \_\_\_\_\_ (\$ \_\_\_\_\_), which is secured by a Deed of Trust dated \_\_\_\_\_, executed by Developer in favor of \_\_\_\_\_, as Trustee, for the benefit of Lender and recorded on \_\_\_\_\_, in the Official Records of San Francisco County, California (the "Official Records") as Document No. \_\_\_\_\_ (the "Deed of Trust"). The Deed of Trust, together with

all documents and instruments executed by Developer and delivered to Lender at its request in connection with the Loan, including all amendments, modifications, renewals, supplements, replacements, future advances and extensions of any or all of such documents, and all rights and privileges of Lender or its successors thereunder, are referred to collectively as the "Loan Documents".

C. City, SFHA, and Developer, entered into a Development Agreement, dated as of \_\_\_\_\_, 201\_\_\_\_, for reference purpose, affecting the Property (the "Development Agreement"). The Development Agreement was recorded in the Official Records on \_\_\_\_\_ as Document No. \_\_\_\_\_. The Parties to this Agreement recognize the mutual benefit of the Development Agreement to Developer, Lender and City, and wish to ensure that the Development Agreement will remain in effect and run with the land, encumbering the Property for the benefit and burden of all future owners of the Property and the City, that it be and remain superior to the Loan Documents, and that any action by Lender under the Loan Documents, including but not limited to any foreclosure, will not adversely affect or terminate the Development Agreement.

D. The Development Agreement is conditioned upon the consent and subordination as set forth in this Agreement, and the City, SFHA and Developer would not be willing to enter into the Development Agreement without this Agreement.

## AGREEMENT

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

1. Consent. Lender hereby consents to the Development Agreement, and all of the terms and conditions of the Development Agreement. Lender shall have the benefit of all of the mortgagee protection provisions set forth in Article 11 [Financing; Rights of Mortgagees] and any other provisions benefitting a mortgagee of the Development Agreement.
2. Subordination; Reliance. The encumbrance of the Development Agreement, as it may be amended from time to time pursuant to the terms of this Agreement, together with the encumbrance of any assignment and assumption agreement, recorded restrictions, or other instruments or agreements recorded against the Property pursuant to the terms of the Development Agreement (collectively, the "Development Agreement Documents"), are and shall at all times be prior and superior to the lien of the Loan Documents, and the Loan Documents are and shall at all times be subject and subordinate to the encumbrance of the Development Agreement Documents. Lender intentionally subordinates the lien of Loan Documents in favor of the Development Agreement Documents, and understands that in reliance upon and in consideration of this Agreement, SFHA, City and Developer are entering into the Development Agreement and would not enter into the Development Agreement without this Agreement.
3. Nondisturbance. During the term of the Development Agreement, Lender agrees: (a) except as may be required by applicable law, City shall not be named or joined in any foreclosure, trustee's sale or other proceeding to enforce the Loan Documents; (b) enforcement of the Loan Documents shall not terminate the Development Agreement, or disturb or interfere with City's rights or obligations under the Development Agreement; and (c) the rights of City under the Development Agreement shall not be adversely affected or disturbed in any manner by any foreclosure, trustee's sale or other proceeding instituted or action taken under or in connection with the Loan Documents, or if Lender takes possession of the Property pursuant to any provision of the Deed of Trust or otherwise except as expressly provided herein or in the

Development Agreement. The City agrees not to interfere in any manner with the Lender's exercise of its rights and remedies.

4. Assumption of Development Agreement. If during the term of the Development Agreement, any interest of Developer shall be transferred by reason of any foreclosure, trustee's sale or other proceeding for enforcement of the Loan Documents, such successor shall, to receive Developer's rights and benefits under the Development Agreement, enter into an Assignment and Assumption Agreement in accordance with and as required by the terms of the Development Agreement, provided the form of the Assignment and Assumption Agreement may be modified to eliminate the execution by the foreclosed-upon Developer and other changes agreed to by the City and such successor instead and shall include all of the same requirements and provisions in a written assumption agreement between the successor and City in a form approved by City (each, an "**Assumption Agreement**"). It is the intent of the parties that the City have and maintain direct contractual privity with Developer, and any successor Transferee or Developer, under the Development Agreement, as further described in the Development Agreement. Accordingly, to receive rights and benefits under the Development Agreement, each successor Developer of some or all of the Property must enter into an Assignment and Assumption Agreement or an Assumption Agreement as set forth above, which is subject to the City's consent in accordance with Article 13 of the Development Agreement. If a successor Developer fails to enter into an Assignment and Assumption Agreement as set forth in the Development Agreement (or the modified Assumption Agreement as set forth above), then City shall have the remedies as set forth in Article 12 of the Development Agreement, provided that (i) City shall not have the right to terminate the Development Agreement against Lender by virtue of Lender's failure to enter into an Assumption Agreement for a period of up to 18 months following Lender's acquisition of the Property, recognizing that the Lender may be a short-term owner of the Property and will likely seek to transfer the Property to another developer within such 18 month period, (ii) Lender shall have no right to construct improvements or receive the other rights or benefits afforded to Developer under the Development Agreement (other than as set forth in Section 11.2 of the Development Agreement) without first entering into an Assumption Agreement with City, and (iii) if Lender wishes to perform construction or receive other rights and benefits of Developer under the Development Agreement, then Lender shall enter into an Assumption Agreement as set forth above.

5. Lender Not Liable for Acts of Developer. Lender, who is acting only as a lender to Developer, shall not be liable for, among other things, breaches by Developer under the Development Agreement or claims that City may have against Developer under the Development Agreement that occur or arise before the date that Lender acquires ownership of the Property by foreclosure or otherwise. However, nothing in this Agreement is intended to or shall be deemed to affect (1) City's rights and remedies against any Developer under the Development Agreement for any act, omission or breach of the Development Agreement by such Developer, or (2) City's right, if any, to terminate the Development Agreement based upon a breach of the Development Agreement by any such Developer in accordance with the terms of the Development Agreement, subject to the cure rights and mortgagee protection provisions set forth in Article 11 and Article 12 of the Development Agreement.

6. Future Amendments. City and Developer agree that they shall not amend Article 11 of the Development Agreement or make any other modifications to the Development Agreement which materially affects the rights of the Lender under the Development Agreement without Lender's prior written consent.

7. Developer Defaults. So long as the Deed of Trust encumbers any and all of the Property, (1) City will send a copy of any notice of default under the Development Agreement to Lender, at the address of Lender specified by Section 9 below, at the same time such notice or statement is sent to Developer under the Development Agreement, provided the City's failure to

do so shall not limit or affect any rights City has against Developer (but, in any event, Lender shall have not less than such time as provided in Section 11.4 of the Development Agreement to cure or commence a cure (as the case may be) from the date of Lender's receipt of the default notice to cure or commence to cure of Developer's default to protect Lender's rights and interests in the Project Site), and (2) Lender will send a copy of any notice of default under the Loan Documents to City, at the address of City specified by Section 9 below, at the same time such notice or statement is sent to Developer under the Loan Documents, provided Lender's failure to do so shall not limit or affect any rights Lender has against Developer.

8. Attorneys Fees. In the event that any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising under this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs, and expenses incurred by the prevailing party. For purposes of this Agreement, reasonable fees of attorneys of City's Office of the City Attorney or Lender's in-house counsel 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 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.

9. Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested or overnight carrier. Notice, whether given by personal delivery, registered mail, or overnight carrier, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Any Party to this Agreement may at any time, upon written notice to the other Parties, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given at their addresses set forth below:

**To Lender:**

with a copy to:

**To City:**

John Rahaim  
Director of Planning  
San Francisco Planning Department  
1650 Mission Street, Suite 400  
San Francisco, California 94102



with a copy to:

Dennis J. Herrera, Esq.  
City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

**To Developer:**

Sunnydale Development Co., LLC  
c/o Mercy Housing CA  
1360 Mission Street, Suite 300  
San Francisco, CA 94103  
Attn: Doug Shoemaker

with a copy to:

Sunnydale Development Co., LLC  
c/o Related Companies of CA  
44 Montgomery Street, Suite 1300  
San Francisco, CA 94104  
Attn: Robin Zimble

with a copy to:

Farella Braun + Martell LLP  
235 Montgomery Street, 17th Floor  
San Francisco, CA 94104  
Attn: Charles J. Higley

**To SFHA:**

Housing Authority of the City and County of San Francisco  
1815 Egbert Avenue  
San Francisco, California 94124  
Attn: Acting Executive Director

with a copy to:

Goldfarb & Lipman LLP  
1300 Clay Street, 11<sup>th</sup> Floor  
Oakland, California 94612  
Attn: Dianne Jackson McLean

10. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California and the Charter of the City and County of San Francisco.

11. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Agreement to form one document, which may be recorded.

13. Successors, Assigns. This Agreement shall inure to and bind respective successors and assigns of the Parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

Approved as to form:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

By: \_\_\_\_\_  
Heidi J. Gewertz, Deputy City Attorney

By: \_\_\_\_\_  
Olson Lee, Director, Mayor's Office and  
Housing and Community Development

Approved and Agreed:

**SFHA:**

HOUSING AUTHORITY OF THE CITY AND  
COUNTY OF SAN FRANCISCO, a public body,  
corporate and politic

Approved as to Form and Legality:

By: \_\_\_\_\_  
Barbara T. Smith, Acting Executive  
Director

\_\_\_\_\_  
Dianne Jackson McLean, Goldfarb &  
Lipman LLP, Special Counsel to SFHA

**DEVELOPER:**

SUNNYDALE DEVELOPMENT CO.,  
a California limited liability company

**LENDER:**

\_\_\_\_\_

By: MERCY HOUSING CALIFORNIA,  
a California nonprofit public benefit  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Its: Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[INSERT APPLICABLE NOTARY PAGES]

**EXHIBIT V**

**SAMPLE OF CITY ACCEPTANCE ORDINANCE FOR DEDICATED  
INFRASTRUCTURE IMPROVEMENTS**

**[attached]**

[Street Acceptance for \_\_\_\_\_, and Public Access Easement for \_\_\_\_\_]

1  
2 Ordinance accepting an irrevocable offer for a public access easement on  
3 \_\_\_\_\_ and accepting an easement for these purposes; accepting an  
4 irrevocable offer for improvements and real property related to \_\_\_\_\_  
5 and accepting a grant deed for these purposes; conditionally accepting an  
6 irrevocable offer for sidewalk improvements for \_\_\_\_\_; declaring such  
7 areas to be open public right-of-way and dedicating them for right-of-way and  
8 roadway purposes; accepting maintenance and liability for these areas subject to  
9 certain limitations; establishing public right-of-way width and sidewalk width for  
10 \_\_\_\_\_ and \_\_\_\_\_; approving an interdepartmental transfer of property  
11 for a portion of \_\_\_\_\_ and for a portion of \_\_\_\_\_; approving and  
12 making findings, including environmental findings and general plan and priority  
13 policy findings; and authorizing official acts in connection with this Ordinance.

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

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

20 Section 1. Findings.

21 (a) On \_\_\_\_\_, 2013, \_\_\_\_\_ made an irrevocable offer of  
22 improvements and real property for right-of-way purposes at \_\_\_\_\_ ("\_\_\_\_\_  
23 Offer"), which includes the form of grant deed for the transfer of such street  
24 improvements and real property ("Grant Deed"). On \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_  
also made an irrevocable offer of a public access easement over its property for the  
\_\_\_\_\_ ("\_\_\_\_\_  
Offer"), which includes the form of public sidewalk easement

FILE NO.

ORDINANCE NO.

agreement for such easement ("Sidewalk Easement Agreement"). Copies of said

1 Offers are on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_

2 and are incorporated herein by reference.

3 (b) In connection with the \_\_\_\_\_ Offer, the Department of Public Works  
4 ("DPW") has prepared a A-17 \_\_\_\_\_ public right-of-way map and a sidewalk width  
5 change map Q-20-\_\_\_\_\_, and DPW Order No. \_\_\_\_\_, dated \_\_\_\_\_,

6 2016. The Director of DPW determined and City Engineer certified that the

7 improvements have been constructed in accordance with all City codes, regulations,  
8 and standards, and that they are ready for their intended use. Consequently, the

9 Director of DPW recommends that the Board: 1) accept the \_\_\_\_\_ Offer, including  
10 the Grant Deed; 2) declare this area as open public right-of-way; 3) dedicate this area  
11 for right-of-way and roadway purposes; and 4) accept maintenance and liability

12 responsibility for the improvements, subject to certain limitations. The DPW Order also

13 addresses other related elements of public infrastructure in this area as further

14 described in Subsections (c) and (d) below. Copies of the DPW Order, public right-of-  
15 way map, and the \_\_\_\_\_ sidewalk width change map are on file with the Clerk of the

16 Board of Supervisors File No. \_\_\_\_\_ and are incorporated herein by

17 reference.

18 (c) The actions contemplated in this Ordinance were addressed in the

19 Environmental Impact Report for \_\_\_\_\_ (State Clearinghouse No.

20 \_\_\_\_\_) ("EIR"), which was affirmed by the Board of Supervisors in its actions

21 related to \_\_\_\_\_ in Ordinance Numbers \_\_\_\_\_, copies of which are on

22 file with the Clerk of the Board of Supervisors File Nos. \_\_\_\_\_, respectively, and

23 are incorporated herein by reference. As part of the Board of Supervisors action on the

24 \_\_\_\_\_, it adopted, in Ordinance No. \_\_\_\_\_, environmental findings and a

25 mitigation monitoring and reporting program as required by the California Environmental

Quality Act (Public Resources Code Section 21000 et seq.). These findings, which  
1 include a rejection of alternatives and a statement of overriding benefits, and the  
2 mitigation program are on file with the Clerk of the Board of Supervisors in File No.  
3 \_\_\_\_\_ and are incorporated herein by reference.

4 (d) The Board of Supervisors has reviewed and considered the EIR, the  
5 environmental findings, and all other environmental documents on file with the Clerk  
6 and referred to above.

7 Based on this review, the Board of Supervisors finds that no substantial changes have  
8 occurred in relation to the actions proposed for approval under this Ordinance (the  
9 "Project") that will require revisions in the EIR due to the involvement of new significant  
10 environmental effects or a substantial increase in the severity of previously identified  
11 significant effects. The Board of Supervisors also finds that no substantial changes  
12 have occurred with respect to the circumstances under which the Project is undertaken  
13 which will require major revisions to the EIR due to the involvement of new  
14 environmental effects or a substantial increase in the severity of effects identified in the  
15 EIR and no new information of substantial importance to the actions as proposed for  
16 approval in the Ordinance has become available which indicates that (1) the Project will  
17 have significant effects not discussed in the EIR, (2) significant environmental effects  
18 will be substantially more severe, (3) mitigation measure or alternatives found not  
19 feasible which would reduce one or more significant effects have become feasible or (4)  
20 mitigation measures or alternatives which are considerably different from those in the  
21 EIR would substantially reduce one or more significant effects on the environment.

## 22 Section 2. **Adoptions and Approvals.**

23 (a) The Board of Supervisors has reviewed and approves DPW Order No.  
24 \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_, which includes the City Engineer's  
certification and Director's recommendation concerning the acceptance of the Offers

dated \_\_\_\_\_, 20\_\_; acceptance of the \_\_\_\_\_ public access  
 1 easement and improvements and real property for the \_\_\_\_\_ public right-of-way for  
 2 roadway purposes and for City maintenance and liability responsibilities; and other  
 3 related actions.

(b) On \_\_\_\_\_, the Planning Commission in Motion No.  
 4 \_\_\_\_\_, found that the \_\_\_\_\_ development project on \_\_\_\_\_ and related  
 5 infrastructure, including \_\_\_\_\_, were, on balance, consistent with the General  
 6 Plan and the eight priority policies on Planning Code Section 101.1. Said Motion and  
 7 Resolution are on file with the Clerk with the Clerk of the Board of Supervisors in File  
 8 Nos. \_\_\_\_\_ and \_\_\_\_\_, respectively, and are incorporated herein by  
 9 reference. For purposes of the actions contemplated in this Ordinance, the Board  
 10 adopts the Planning Commission findings as its own for the reasons set forth in the  
 11 Commission Resolutions.  
 12

**Section 3. Acceptance of Improvements and Real Property and Assumption  
 13 of Maintenance Responsibilities for \_\_\_\_\_, Including Establishment of Grade  
 14 and Street Width; Acceptance of \_\_\_\_\_ Public Access Easement.**

(a) The Board of Supervisors accepts the \_\_\_\_\_ Offer for improvements  
 16 and real property for right-of-way and roadway purposes, including the acceptance of  
 17 the Grant Deed. The Board of Supervisors also accepts the \_\_\_\_\_ Offer for a  
 18 public access easement, including the Sidewalk Easement Agreement. The Board of  
 19 Supervisors hereby delegates authority to the Director of Property to accept the Grant  
 20 Deed for a portion of \_\_\_\_\_ and to execute the Sidewalk Easement Agreement,  
 21 and to enter into any amendments or modifications to the Sidewalk Easement  
 22 Agreement (including without limitation, the exhibits) that the Director of Property  
 23 determines, in consultation with the City Attorney and the Director of DPW, are in the  
 24 best interest of the City, do not materially increase the obligations or liabilities of the  
 25



City, are necessary or advisable to effectuate the purposes of the Sidewalk Easement Agreement or this Ordinance, and are in compliance with all applicable laws, including City's Charter.

(b) Pursuant to California Streets and Highways Code Section 1806 and San Francisco Administrative Code Sections 1.51 et seq., the Board of Supervisors hereby dedicates the improvements described in the \_\_\_\_\_ Offer to public use; names this public right-of-way "\_\_\_\_\_"; designates such improvements for right-of-way and roadway purposes; and accepts such improvements for City maintenance and liability purposes, subject to the conditions listed in subsection (d).

(c) Notwithstanding California Streets and Highways Code Sections 8000 et seq. and San Francisco Administrative Code Sections 1.51 et seq., the Board of Supervisors hereby establishes the street grade for \_\_\_\_\_ as shown on map A-17-\_\_\_\_\_. The Board also approves said map for purposes of establishing the width of the \_\_\_\_\_ public right-of-way.

(d) The \_\_\_\_\_ improvements accepted by the Board pursuant to Subsections (a) - (b) are subject to the following: (1) the portions of \_\_\_\_\_ being accepted for right-of-way and roadway purposes are constructed from back of sidewalk to back of sidewalk, unless specified otherwise, (2) acceptance of the improvements for City maintenance and liability purposes is from back of curb to back of curb, unless specified otherwise, (3) encroachments that are permitted, not permitted, or both are excluded from acceptance, and (4) the acceptance of the street does not obviate, amend, alter, or in any way affect existing maintenance agreements between the City and parties to such agreements.

**Section 4. Establishing Sidewalk Width Change on a Portion of \_\_\_\_\_ and a Portion of \_\_\_\_\_.**

FILE NO.

ORDINANCE NO.

(a) \_\_\_\_\_ Sidewalk. In accordance with DPW's Order No. \_\_\_\_\_,  
1 Board of Supervisors Ordinance No. \_\_\_\_, entitled "Regulating the Width of Sidewalks,"  
2 a copy of which is in the Clerk of the Board of Supervisors Book of General Ordinances,  
3 in effect May 11, 1910, is hereby amended by adding thereto a new section to read as  
4 follows:

5 Section 16XX. The official sidewalk width on \_\_\_\_\_ shall be as shown on  
6 Department of Public Works drawing Q-20-\_\_\_\_\_ , a copy of which is on file with the Clerk of  
7 the Board of Supervisors in File No. \_\_\_\_\_.

8 (b) (1) Future \_\_\_\_\_ Sidewalk. In accordance with DPW's Order No.  
9 \_\_\_\_\_, Board of Supervisors Ordinance No. 1061, entitled "Regulating the Width  
10 of Sidewalks," a copy of which is in the Clerk of the Board of Supervisors Book of  
11 General Ordinances, in effect May 11, 1910, is hereby amended by adding thereto a  
12 new section to read as follows:

13 Section 16XX. The official sidewalk width on \_\_\_\_\_ shall be as shown on  
14 Department of Public Works drawing Q-20-\_\_\_\_\_ , a copy of which is on file with the Clerk of  
15 the Board of Supervisors in File No. \_\_\_\_\_.

16 (2) Because the Developer will construct the \_\_\_\_\_ Sidewalk as part of  
17 its development of the Project, the Board of Supervisors hereby delegates to the  
18 Director of DPW the authority to accept an offer for the improvements when the Future  
19 \_\_\_\_\_ Sidewalk is constructed in accordance with DPW Order No.  
20 \_\_\_\_\_, a copy of which is on file with the Clerk of the Board of Supervisors  
21 File No. \_\_\_\_\_ and is incorporated herein by reference, and all City codes,  
22 regulations, and standards, and is ready for its intended purposes as certified by the  
23 City Engineer. In accordance with \_\_\_\_\_, the Housing Developer will be responsible to  
24 maintain the subject sidewalk in accordance with the requirements of the Public Works  
25 Code.

Section 5. **Interdepartmental Transfer of Property for a Portion of** \_\_\_\_\_

1 \_\_\_\_\_  
2 Notwithstanding the provisions of Administrative Code Chapter 23, the Board of  
3 Supervisors hereby authorizes the interdepartmental transfer of property from \_\_\_\_  
4 \_\_\_\_\_ to DPW for a portion of the new \_\_\_\_\_ right-of-way and, at the time the  
5 Director of DPW accepts an offer for the sidewalk improvements, for a sidewalk on the  
6 Future \_\_\_\_\_ Sidewalk.

7 Section 6. **Authorization for Implementation.**

8 All actions heretofore taken by the officers of the City with respect to such  
9 Ordinance are hereby approved, confirmed and ratified, and the Mayor, Clerk of the  
10 Board, Director of Property and Director of Public Works are hereby authorized and  
11 directed to take any and all actions which they or the City Attorney may deem  
12 necessary or advisable in order to effectuate the purpose and intent of this Ordinance,  
13 including, but not limited to, recordation of the Grant Deed and Sidewalk Easement  
14 Agreement and inclusion of this Ordinance and the accompanying Q-20 and A-17  
15 Maps in the Official Records of the City and County of San Francisco for the width of  
16 public right-of-way and sidewalks.

17 Section 7. **Effective Date.** This Ordinance shall become effective 30 days after  
18 enactment. Enactment occurs when the Mayor signs the Ordinance, the Mayor returns  
19 the Ordinance unsigned or does not sign the Ordinance within ten days of receiving it,  
20 or the Board of Supervisors overrides the Mayor's veto of the Ordinance.

21  
22  
23 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

24 By: \_\_\_\_\_  
John D. Malamut

FILE NO.

ORDINANCE NO.

Deputy City Attorney

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## EXHIBIT W

### MAINTENANCE AND OPERATIONS OF PUBLIC POWER

This Exhibit W outlines terms agreed upon by the Developer, the San Francisco Public Utilities Commission (SFPUC) and other parties as described below regarding the provision of public power for the Project.

#### Development Matrix of Roles and Responsibilities for Power Utilities

Table 1 outlines the roles and responsibilities of the San Francisco Housing Authority (SFHA), the San Francisco Public Utilities Commission (SFPUC), and the Developer regarding the existing power services at the Sunnydale/Velasco Project Site and the new power facilities and services for the Sunnydale HOPE SF Project, as defined in this Agreement. SFHA owns the existing power facilities at the Sunnydale/Velasco Public Housing site and contracts with SFPUC for maintenance and operation of those existing facilities. SFPUC will be the power provider for the Sunnydale HOPE SF Project, which shall be developed and constructed by the Developer. This Table 1 may be modified in the future if SFHA, the Developer, and SFPUC agree to modifications.

Table 1.

Role	SF Housing Authority	Developer	SFPUC
1. Own existing power facilities within Sunnydale-Velasco HOPE SF site	SFHA owns		SFPUC owns new power facilities once they are dedicated to the City
2. Maintain existing power facilities in the Project Site areas that are not under construction			SFPUC maintains under maintenance contract with SFHA
3. Temporary power facilities for		Developer to design, pay for and construct temporary power facilities that are on	

Role	SF Housing Authority	Developer	SFPUC
construction		site and required for construction	
4. New power facilities and services:			
a. New facilities and services required to connect PG&E circuit to main switch			SFPUC plans, pays for and constructs distribution connection between the PG&E circuit and the main switch including trenching, backfill, conduit, boxes, switches, conductors or other costs identified by PG&E in System Impact Study and Facilities Agreements.
b. Main switch to serve new development		Developer shall provide the necessary location and any required easement to install main interconnection switchgear in accordance with SFPUC's design and specifications. If switchgear is to be located in a public right-of-way, Developer is responsible for obtaining City approval and any required permits or agreements for use of the right-of-way.  If switchgear is to be located	SFPUC is responsible for engineering, permitting, installation and construction of main interconnection switchgear.  If switchgear is to be located in a public right-of-way, SFPUC will collaborate with Developer, as

Role	SF Housing Authority	Developer	SFPUC
		<p>in a room in a building, the room shall be constructed, owned, and maintained by Developer and shall meet SFPUC's specifications for such things as access, ventilation, drainage, grounding system, etc. Developer shall provide the necessary easement for SFPUC to access, install, operate and maintain electric equipment.</p>	<p>needed, on the design of the switchgear location and in conversations with DPW or other City agencies about permit, construction, and access.</p>
<p>c. Joint Trench (In Franchise Area)</p>		<p>In accordance with SFPUC design, specifications and requirements, Developer is responsible for all necessary trenching, backfilling and other digging as required throughout the property and shall furnish and install all substructures and conduit. See 4f and 4g for cost responsibility.</p>	<p>SFPUC (as well as other utilities occupying the joint trench) reimburse Developer for its applicable share of the joint trench costs. See 4f and 4g for cost responsibility.</p>
<p>d. Installation of Distribution Line Extension</p>		<p>Developer may elect to install any portion of the new Distribution Line Extension normally installed by SFPUC, in accordance with SFPUC's design and specifications. See 4f and 4g for cost responsibility.</p>	<p>SFPUC is responsible for furnishing and installing cabling, switches, transformers, and other distribution facilities required to complete the Distribution Line Extension. See 4f and 4g for cost</p>

Role	SF Housing Authority	Developer	SFPUC
			responsibility.
e. Installation of the Service Extensions to each building or open space parcel		<p>In accordance with SFPUC's design, specifications and requirements, Developer is responsible to: provide a clear route, perform all necessary trenching, excavation and backfilling, and furnish and install all conduits and substructures necessary to extend service to Developer's Premises. Developer shall provide space on Developer's Premises at a location approved by SFPUC for its installation of a standard transformer and any necessary equipment. Developer may elect to install any portion of the Service Extension normally installed by SFPUC, in accordance with SFPUC's design and specifications. Applicable refundable costs will be reimbursed by SFPUC. See 4f and 4g for cost responsibility.</p>	<p>SFPUC is responsible to install service conductors to supply permanent service from the Distribution Line source to the Service Delivery Point. SFPUC is responsible to install all transformers including any switches, capacitors, electrical protective equipment, etc., necessary to supply permanent service. SFPUC will be responsible for all necessary metering equipment. See 4f and 4g for cost responsibility.</p>
f. Cost Responsibility: Refundable Costs		<p>A portion of SFPUC's Distribution Line Extension and Service Extension Costs shall be considered Refundable to the Developer</p>	



Role	SF Housing Authority	Developer	SFPUC
		provided there are sufficient Allowances. More specifically, refundable costs include substructures installed in the Franchise Area and all cabling, switches, transformers	
g. Allowances			SFPUC shall grant Allowances from permanent, bonafide loads to be served. The Allowance for permanent Residential Service shall be the amount established by SFPUC at the time, based on a revenue-supported methodology, taking into account SFPUC billing rates, so that overall line extension costs are competitive with what PG&Es line extension costs would have been.
h. Service to Parcel Q			To be determined. SFPUC will provide a cost proposal and schedule to Developer.
5. Relocation or demolition of	Coordinate with	Developer is responsible for developing and	SFPUC shall be responsible to

Role	SF Housing Authority	Developer	SFPUC
existing power facilities in Project Site as required for the new development	Developer and SFPUC as needed	implementing plans to relocate and/or demolish existing power facilities, and to maintain existing power service to Sunnydale while new infrastructure is constructed. Developer generally responsible for costs and delays associated with relocation and demolition, including interruption of service and for notification of tenants (if SFHA permission is granted) of any interruption of service. Developer to contract with SFPUC for demolition and/or relocation/configuration of power distribution facilities	ensure that the transition from existing conditions to temporary distribution is correctly made. Coordinate with SFHA and Developer as needed, under contract to Developer, to demolish power facilities as required to accommodate new development per City-approved plans, reconfigure and/or relocate existing power facilities, and ensure continued service to existing buildings.

BOARD of SUPERVISORS



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

**NOTICE OF PUBLIC HEARING**  
**BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO**  
**BUDGET AND FINANCE COMMITTEE**

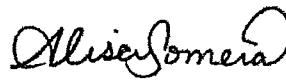
NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposals and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Wednesday, January 11, 2017  
**Time:** 10:00 a.m.  
**Location:** Legislative Chamber, Room 250, located at City Hall  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA  
**Subject:** Sunnydale HOPE SF Affordable Housing Development Project

**File No. 161164.** Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

**File No. 161356.** Resolution authorizing the execution of the Master Development Agreement between the Housing Authority of the City and County of San Francisco, Sunnydale Development Co., LLC, a California limited liability company and the City and County of San Francisco, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park on the west, Hahn Street on the east, and Velasco on the south; and making findings under the California Environmental Quality Act, and findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, 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, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, January 6, 2017.



for Angela Calvillo  
Clerk of the Board

DATED: December 28, 2016  
PUBLISHED/MAILED/POSTED: December 30, 2016

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Alisa Somera
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: AS - Sunnydale HOPE SF Project

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

12/30/2016

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

EXM# 2961366

NOTICE OF PUBLIC HEARINGS
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the following Committees will hold public hearings to consider the following proposals related to the SUNNYDALE HOPE SF AFFORDABLE HOUSING DEVELOPMENT PROJECT and said public hearings will be held as follows, at which time all interested parties may attend and be heard:
LAND USE AND TRANSPORTATION COMMITTEE
MONDAY, JANUARY 9, 2017 - 1:30 PM
LEGISLATIVE CHAMBER, ROOM 260, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

File No. 161163, Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302. File No. 161309, Ordinance amending the General Plan in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 340.

BUDGET AND FINANCE COMMITTEE
WEDNESDAY, JANUARY 11, 2017 - 10:00 AM
LEGISLATIVE CHAMBER, ROOM 260, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA
File No. 161164, Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 60-acre site located in Visitation Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act, and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearings on these matters may submit written comments to the City prior to the time the hearings begin. These comments will be made part of the official public record 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, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to these matters are available in the Office of the Clerk of the Board. Agenda Information relating to these matters will be available for public review on Friday, Friday, January 6, 2017. - Angela Calvillo, Clerk of the Board

located in Visitation Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act, and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearings on these matters may submit written comments to the City prior to the time the hearings begin. These comments will be made part of the official public record 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, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to these matters are available in the Office of the Clerk of the Board. Agenda Information relating to these matters will be available for public review on Friday, Friday, January 6, 2017. - Angela Calvillo, Clerk of the Board



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## NOTICE OF PUBLIC HEARING

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO BUDGET AND FINANCE COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposals and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Wednesday, January 11, 2017

**Time:** 10:00 a.m.

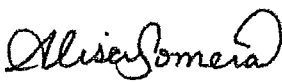
**Location:** Legislative Chamber, Room 250, located at City Hall  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

**Subject:** Sunnydale HOPE SF Affordable Housing Development Project

**File No. 161164.** Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

**File No. 161356.** Resolution authorizing the execution of the Master Development Agreement between the Housing Authority of the City and County of San Francisco, Sunnydale Development Co., LLC, a California limited liability company and the City and County of San Francisco, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park on the west, Hahn Street on the east, and Velasco on the south; and making findings under the California Environmental Quality Act, and findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, 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, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, January 6, 2017.

  
for Angela Calvillo  
Clerk of the Board

DATED: December 28, 2016

PUBLISHED/MAILED/POSTED: December 30, 2016

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Alisa Somera
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1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description AS - Sunnydale HOPE SF Project

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

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LAND USE AND TRANSPORTATION COMMITTEE
MONDAY, JANUARY 9, 2017 - 1:30 PM
LEGISLATIVE CHAMBER, ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

File No. 161163, Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HI-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.
File No. 161309, Ordinance amending the General Plan in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 340.
BUDGET AND FINANCE COMMITTEE
WEDNESDAY, JANUARY 11, 2017 - 10:00 AM
LEGISLATIVE CHAMBER, ROOM 280, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

File No. 161164, Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 60-acre site

located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Valasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 58; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fees provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.
In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearings on these matters may submit written comments to the City prior to the time the hearings begin. These comments will be made part of the official public record 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, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to these matters are available in the Office of the Clerk of the Board. Agency information relating to these matters will be available for public review on Friday, Friday, January 6, 2017. - Angela Calvillo, Clerk of the Board



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San Francisco 94102-4689  
Tel. No. 554-5184  
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TDD/TTY No. 554-5227

November 1, 2016

Lisa Gibson  
Acting Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On October 25, 2016, Supervisor Cohen introduced the following proposed legislations:

**File No. 161162**

**Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

**File No. 161163**

**Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

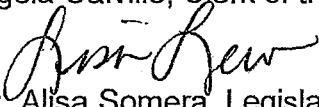
**File No. 161164**

**Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale**

**HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.**

These legislations are being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*for*   
By: Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Jeanie Poling, Environmental Planning

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November 1, 2016

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On October 25, 2016, Supervisor Cohen introduced the following legislations:

**File No. 161162**

**Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

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**Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

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**Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale**

**HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.**

The proposed ordinances are being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinances are pending before the Land Use and Transportation Committee and will be scheduled for hearings upon receipt of your responses.

Angela Calvillo, Clerk of the Board



By: Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

- c: John Rahaim, Director of Planning
- Aaron Starr, Acting Manager of Legislative Affairs
- Scott Sanchez, Zoning Administrator
- Lisa Gibson, Acting Environmental Review Officer
- AnMarie Rodgers, Senior Policy Advisor
- Jeanie Poling, Environmental Planning
- Joy Navarrete, Environmental Planning

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## MEMORANDUM

TO: Barbara Smith, Acting Executive Director, Housing Authority  
Olson Lee, Director, Mayor's Office of Housing and Community  
Development  
Todd Rufo, Director, Office of Economic and Workforce Development  
Tom Hui, Director, Department of Building Inspection

FROM: *ll*  
*for* Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: November 1, 2016

SUBJECT: LEGISLATION INTRODUCED

---

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislations, introduced by Supervisor Cohen on October 25, 2016:

### File No. 161162

Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

### File No. 161163

Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

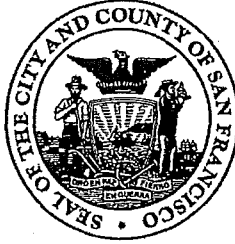
File No. 161164

**Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.**

If you have comments or reports to be included with the files, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [alisa.somera@sfgov.org](mailto:alisa.somera@sfgov.org).

c: Andrea Agho, Housing Authority  
Velma Navarro, Housing Authority  
Linda Martin-Mason, Housing Authority  
Eugene Flannery, Mayor's Office of Housing and Community Development  
Sophie Hayward, Mayor's Office of Housing and Community Development  
Ken Rich, Office of Economic and Workforce Development  
Lisa Pagan, Office of Economic and Workforce Development  
William Strawn, Department of Building Inspection  
Carolyn Jayin, Department of Building Inspection

President, District 5  
BOARD of SUPERVISORS



BOS-11, COB Leg Dep.  
Deputy atty,  
LN clerk, B+F  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-7630  
Fax No. 554-7634  
TDD/TTY No. 544-5227  
Clerk  
Majors

London Breed

**PRESIDENTIAL ACTION**

Date: 12/7/2016

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_ (Primary Sponsor)

Title. \_\_\_\_\_

2016 DEC 13 PM 3:21  
RECEIVED  
CITY CLERK  
SAN FRANCISCO

Transferring (Board Rule No 3.3)

File No. 161164 Cohen (Primary Sponsor)

Title. Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project

From: Land Use & Transportation Committee

To: Budget & Finance Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

London Breed

London Breed, President  
Board of Supervisors

**Lew, Lisa (BOS)**

---

**From:** Lew, Lisa (BOS)  
**Sent:** Tuesday, November 01, 2016 9:59 AM  
**To:** Gibson, Lisa (CPC)  
**Cc:** Navarrete, Joy (CPC); Poling, Jeanie (CPC); Somera, Alisa (BOS)  
**Subject:** BOS Referral: File Nos. 161162-161164 - Sunnydale HOPE SF Project  
**Attachments:** 161162-161164 CEQA.pdf

Hello,

The following proposed legislations are being transmitted to you for environmental review:

**File No. 161162**

Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

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Sent on behalf of Alisa Somera, Land Use and Transportation Committee. Please respond directly to Alisa Somera.

Regards,

**Lisa Lew**  
Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
P 415-554-7718 | F 415-554-5163  
[lisa.lew@sfgov.org](mailto:lisa.lew@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)



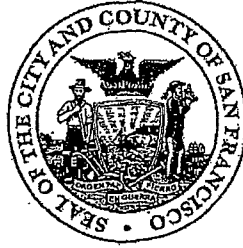


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BOARD of SUPERVISORS



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

November 1, 2016

Lisa Gibson  
Acting Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On October 25, 2016, Supervisor Cohen introduced the following proposed legislations:

**File No. 161162**

Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

**File No. 161163**

Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

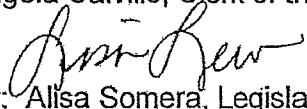
**File No. 161164**

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale

HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

These legislations are being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*for*   
By: Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

Attachment

- c: Joy Navarrete, Environmental Planning
- Jeanie Poling, Environmental Planning

CEQA clearance under Planning Department Case No.  
2010.0305E, for the Sunnydale HOPE SF EIR, certified  
July 9, 2015 (PC Motion 19409): .

Joy Navarrete

Digitally signed by Joy Navarrete  
DN: cn=Joy Navarrete, o=Planning,  
ou=Environmental Planning,  
email=joy.navarrete@sfgov.org, c=US  
Date: 2016.11.17 10:03:06 -08'00'

161164

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 544-5227

**PROOF OF MAILING**

Legislative File Nos. 161164, 161356

Description of Items: Budget and Finance - Public Hearing Notice - Sunnydale HOPE SF Affordable Development Project - January 11, 2017

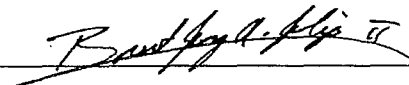
I, Brent Jalipa, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: December 30, 2016

Time: 12:21 PM

USPS Location: Repro Pick-up Box in the Clerk of the Board's Office (Rm 244)

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: 

Instructions: Upon completion, original must be filed in the above referenced file.

**Lew, Lisa (BOS)**

---

**From:** Lew, Lisa (BOS)  
**Sent:** Tuesday, November 04, 2016 9:59 AM  
**To:** Ionin, Jonas (CPC)  
**Cc:** Rahaim, John (CPC); Starr, Aaron (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Rodgers, AnMarie (CPC); Poling, Jeanie (CPC); Navarrete, Joy (CPC); Somera, Alisa (BOS)  
**Subject:** BOS Referral: File Nos. 161162-161164 - Sunnydale HOPE SF Project  
**Attachments:** 161162-161164 PC.pdf

Hello,

The following legislations are being referred to your department pursuant to Planning Code Section 302(b) for public hearing and recommendation:

**File No. 161162**

Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

**File No. 161163**

Ordinance amending the Planning Code by amending the Zoning Map Sheets SU-11 and HT-11 in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

**File No. 161164**

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

Sent on behalf of Alisa Somera, Land Use and Transportation Committee. Please respond to Alisa Somera.

Regards,

**Lisa Lew**  
Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
P 415-554-7718 | F 415-554-5163



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## Lew, Lisa (BOS)

---

**From:** Lew, Lisa (BOS)  
**Sent:** Tuesday, November 01, 2016 9:59 AM  
**To:** Smith, Barbara (SFHA); Lee, Olson (MYR); Rufo, Todd (ECN); Hui, Tom (DBI)  
**Cc:** 'aghoa@sfha.org'; 'navarro@sfha.org'; 'martinl@sfha.org'; Flannery, Eugene (MYR); Hayward, Sophie (MYR); Rich, Ken (ECN); Pagan, Lisa (ECN); Strawn, William (DBI); Jayin, Carolyn (DBI); Somera, Alisa (BOS)  
**Subject:** BOS Referral: File Nos. 161162-161164 - Sunnydale HOPE SF Project  
**Attachments:** 161162-161164 FYI.pdf

Hello,

The following legislations are being referred to your department for informational purposes:

**File No. 161162**

Ordinance amending the Planning Code to create the Sunnydale HOPE SF Special Use District to facilitate development of the Sunnydale HOPE SF project by modifying specific requirements related to permitted uses, dwelling unit density, building height and bulk standards, and parking and streetscape matters; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

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Sent on behalf of Alisa Somera, Land Use and Transportation Committee. Please forward any comments or reports to Alisa Somera.

Regards,

**Lisa Lew**

Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
P 415-554-7718 | F 415-554-5163

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# Introduction Form

By a Member of the Board of Supervisors or the Mayor

2016 OCT 25 PM 2:56  
Time stamp  
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

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

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

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

Sponsor(s):

COHEN

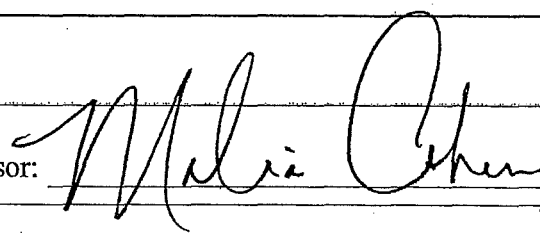
Subject:

Development Agreement - Sunnydale HOPE SF - sunnydale Development co. LLC

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

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

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>Sunnydale Development Co., LLC</b>	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Please see the attached page	
Contractor address: c/o Mercy Housing CA, 1360 Mission Street, Suite 300, San Francisco, CA 94103	
Date that contract was approved:	Amount of contract: Per formula
Describe the nature of the contract that was approved: Development agreement granting land use approvals and vested rights to build 1,770 dwelling units and 72,000 square feet of non-residential community amenities, subject to the developer adhering to performance obligations, public benefit requirements and development controls.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

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

Print Name of Board

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

Print Name of Board

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

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

\_\_\_\_\_  
Date Signed

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

\_\_\_\_\_  
Date Signed

**Form 126 for Sunnydale Development Co, LLC: list of members and directors**

Sunnydale Development Company LLC consists of two Members. These Members are Mercy Housing California and The Related Companies of California LLC. The information requested is provided below.

**Mercy Housing California, a California nonprofit public benefit corporation**

(1) Board of Directors:

JoAnn Bertges, Tangerine Brigham, Susan Diamond, Ford Fish, Christina Garcia, Maryann Leshin, Ezra Mersey, Timothy Murray, William Pavao, Craig Reigel, Janet Ruggiero, Miriam Saez, Ann Sewill, Steven Wang Wade, Brian Swift, Sister Mary Wascowiak, RSM.

(2) Officers:

Douglas Shoemaker, President (equivalent to CEO)

Melissa Clayton, Steve Spears, Rick Sprague, Jane Graf, Jennifer Dolin, Ed Holder, Sheela Jivan, Valerie Agostino, Barbara Gualco, Rick Sprague, Bruce Saab, Stephan Daues are Vice Presidents (equivalent to COO)

Joseph Rosenblum, Secretary

Amy Bayley, RSM, Assistant Secretary

Vince Dodds, Treasurer (equivalent to CFO)

(3) No person has ownership

(4) n/a

(5) n/a

**The Related Companies of California, a California limited liability company**

1) No Board of Directors as it is an LLC.

2) Officers:

a. Bill Witte, President and Secretary

b. Frank Cardone, Vice President

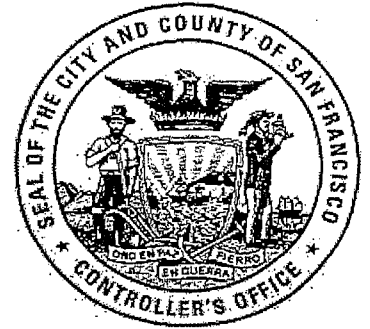
c. Steve Sherman, Treasurer

3) There is no person that has ownership. Ownership is held by Related General IV, LP and Nicholas Real Estate Investments, LLC. Both own more than 20% interest.

4) n/a

5) n/a





# HOPE SF Development Agreements for Sunnydale and Potrero: Economic Impact Report

Office of Economic Analysis  
Items #161161 and 161164  
January 10, 2017

## Introduction

---

- HOPE SF is a City-sponsored anti-poverty initiative that seeks to transform low-income public housing projects into more complete, mixed-income neighborhoods with new housing. The public housing properties, which are managed by the San Francisco Housing Authority, are aging and, in some cases, have severely deteriorated.
- The redeveloped neighborhoods will include new replacement affordable housing units for current residents, as well as additional new market-rate and affordable housing.
- The proposed legislation concerns the approval of two development agreements in the HOPE SF program, which would redevelop the Sunnydale, and Potrero Terrace and Potrero Annex, properties. A development agreement is a contract between the City and a property developer that defines the terms under which the developer has the right to develop the site.
- Because of the scale of the two redevelopment projects, the Office of Economic Analysis (OEA) has determined that the development agreements would have a material economic impact on the San Francisco economy.

1884

## Details of the Development Agreements: Potrero Terrace and Annex

---

- The Housing Authority's property at Potrero Terrace, on the south side of Potrero Hill, was constructed in 1942. Potrero Annex, on the east side of the hill, was constructed in 1955. The two properties now contain 619 public housing units between them, on 38 acres of land:
- Under the development agreement, the master development (Bridge Housing) would be responsible for replacing those 619 units with new units. The replacement units will be offered to current residents of the two properties in good standing.
- The developer is also responsible for providing a minimum of 155 additional new housing units that would be affordable to households earning between 40% and 60% of area median income (AMI). In 2016, this income range was between \$43,100 and \$64,600, for a household of 4.
- The development agreement permits the construction of an additional 800 units of market rate housing.
- It further requires the developer to build 32,000 square feet of space for community uses, including retailing, to rebuild the road and utility network in the area, provide 3.5 acres of community open space, and 1,055 automobile parking and 839 bike parking spaces.

1885

## Details of the Development Agreements: Sunnydale

---

- The Sunnydale Housing development was constructed in 1940 and contains 775 public housing units on 50 acres.
- The Sunnydale development agreement calls for the demolition and reconstruction of those units, which will be offered to existing residents in good standing. As with Potrero, the developer is required to build 125% of existing units as affordable, at a minimum. At Sunnydale, this means a minimum of 969 new and replacement affordable units.
- The development agreement also provides for the development of approximately 600 additional market-rate units.
- In addition, the developer is required to provide 60,000 square feet of community-serving space, build 3.6 acres of public open space, 1,962 automobile parking spaces, and 1,808 bike parking spaces.

1886



## Economic Impact Factors

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- According to the project's website, hope-sf.org, the overarching goals of the project include: building superior housing, enhancing the lives of existing residents, and serving as a catalyst for improving the surrounding neighborhood.
- These impacts on existing residents and the surrounding neighborhoods could well be the greatest benefits of the project, but they are very difficult to quantify, and are not considered in this report.
- Instead, this report focuses on the city-wide impact of construction spending, and on expanding the supply of both affordable and market-rate housing in San Francisco.
- In terms of housing supply, more market-rate housing increases choices for households searching for housing, reducing competition among renters and buyers and lowering prices.
- Additionally, past OEA research has also determined that new affordable housing units are roughly twice as effective as new market-rate units at improving affordability for low-income San Franciscans, because they combine a direct subsidy with the indirect benefit of reducing competition at the low-end of the private housing market.

## Economic Impact Assessment: Construction Cost and Housing Price Impacts

---

- The Budget & Legislative Analyst, based on data from the Mayor's Office of Housing and Community Development, has estimated the cost of the affordable housing and infrastructure at the two projects will be \$1.8 billion over 25 years. The market-rate construction will generate an estimated \$475 million in additional spending.
- San Francisco households with an income between 40% and 60% of the area median, and who moved during the 2010-14 period, spent an average of 48% of their income on housing, according to data from the Census Bureau's American Community Survey.
- Households occupying the replacement or new affordable units will pay a maximum of 30% of their income on housing. This policy will result in a benefit of at least \$12 million a year to the residents of the 1,743 new and replacement affordable units, compared to what they would pay in the private housing market.
- In addition, the net creation of 349 additional affordable housing units would provide indirect price relief to all of San Francisco's households in the 40-60% AMI category, about 4,500 of whom change residences each year. In aggregate, they can expect to pay \$11 million less for housing in the private market, annually, because of the new units.
- Finally, the additional 1,400 market-rate units will provide an additional form of price relief to all San Francisco households in the market, equal to approximately \$44 million per year in reduced housing costs.

## REMI Model Simulation Results

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- To estimate the citywide economic impact of the two development agreements, their projected construction spending and associated housing price reductions were modeled in the OEA's REMI model of the San Francisco economy.
- The model tracks the indirect and induced effects (the "multiplier effects") associated with the direct construction spending, the higher consumer incomes associated with more affordable housing, and impacts on the labor market of less expensive housing.
- Over a 25-year forecast period (reflecting the planned 25-year construction process), the two development agreements will generate an average of 1,166 jobs in San Francisco, mainly concentrated in the construction, health care, social assistance, and retail trade industries. Overall, the city's economy will be \$200 million larger as a result of the development agreement.

## Staff Contacts

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Ted Egan, Ph.D., Chief Economist

[ted.egan@sfgov](mailto:ted.egan@sfgov)

(415) 554-5268

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# HOPESF

# POTRERO & SUNNYDALE

Master Plan Projects

Board of Supervisors Budget & Finance

Committee

January 11, 2017

# HOPE SF Initiative

## What is the HOPE SF Initiative?

- The collective impact initiative known as HOPE SF is the nation's first large-scale public housing transformation and reparations effort aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of residents. We value:

- **Resident voice and peer leadership;**
- Healing communities through **trauma-informed systems;**
- **Public system transformation;**
- **Racial equity;** and
- Results through **data and innovation.**



Potrero



Hunter's View



Alice Griffith



Sunnydale

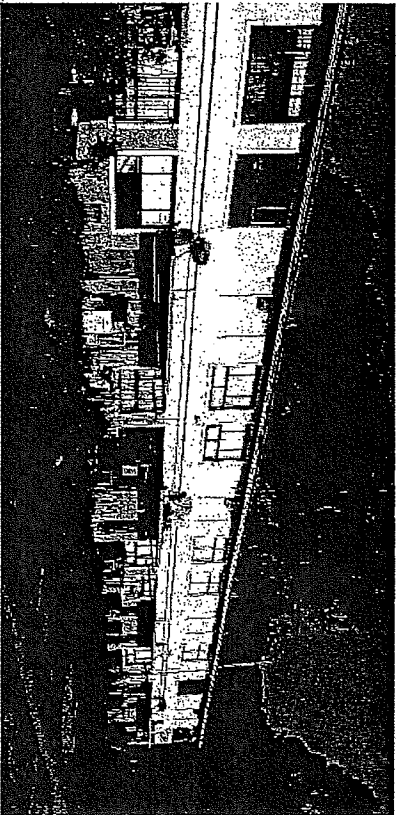
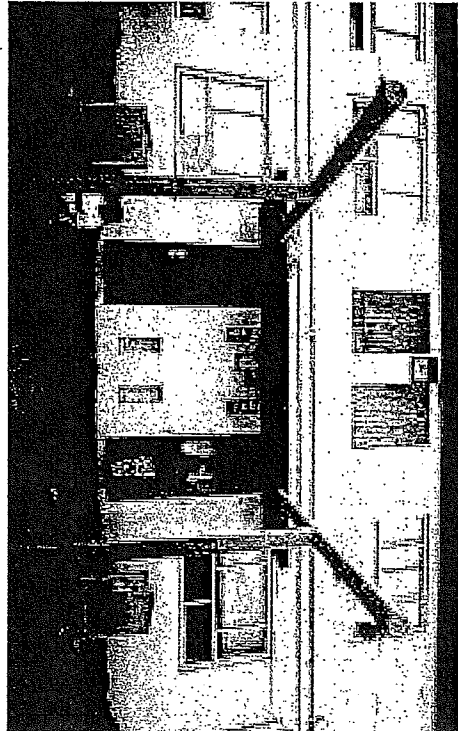
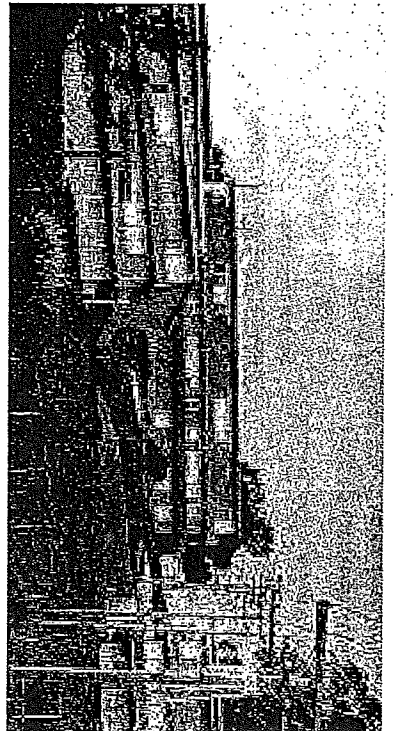
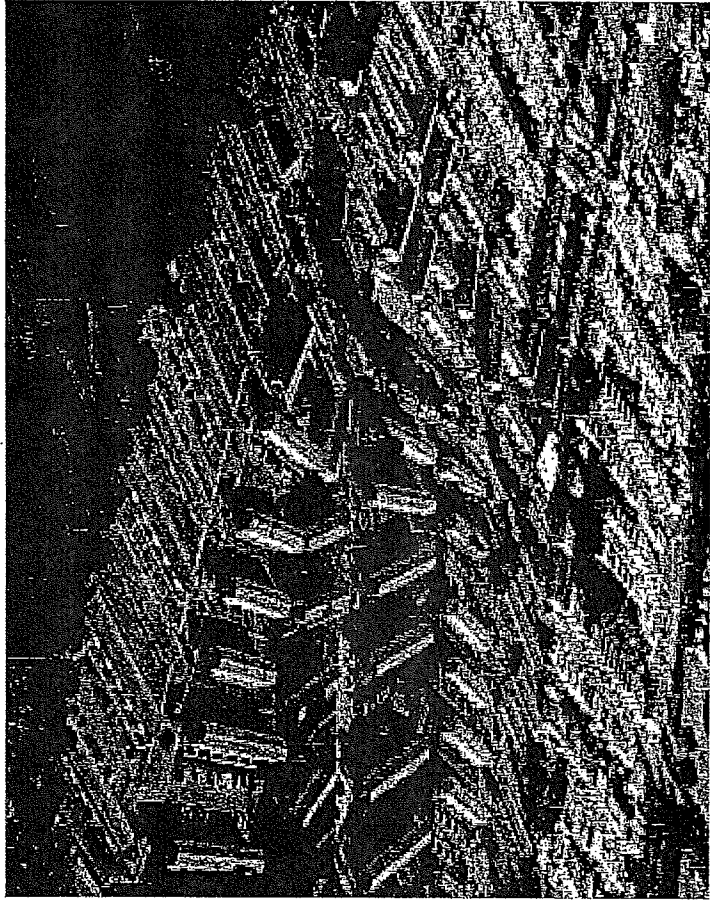


# HOPE SF Initiative

## Community Snapshot by Site nearly 5,000 HOPE SF residents across four communities

Aspect	Hunters View	Alice Griffith	Potrero	Sunnydale
Residents (on-lease)	123 households 319 people Avg. Size 2.6	226 households 690 people Avg. Size 3.0	619 households 1,370 people Avg. Size 2.3-3.0	775 households 1,718 people Avg. Size 2.5
Ethnic Breakdown	47% African-American 17% Asian 16% Pacific Islander 10% Latino 9% White	65% African-American 14% Latino 13% Pacific Islander 7% Asian 1% White	58% African-American 21% Latino 6% Asian 5% Pacific Islander 3% White	39% African-American 20% White 17% Latino 16% Asian 7% Pacific Islander
Anchor Partners	John Stewart Co.; Bayview YMCA	McCormack Baron Salazar; Urban Strategies	Bridge Housing / Urban Services YMCA	Mercy Housing/ Related California/TURF/VVSF/ Bayview YMCA
Core Activities	<u>Service Connection</u> <ul style="list-style-type: none"> <li>• Needs Assessment</li> <li>• Family Plans</li> <li>• Referrals and follow up</li> <li>• Concentrated work in employment, housing, health, education, public safety</li> <li>• Community Events</li> <li>• Resident Leadership</li> </ul>	<u>Service Connection</u> <ul style="list-style-type: none"> <li>• Needs Assessment</li> <li>• Family Plans</li> <li>• Referrals and follow up</li> <li>• Concentrated work in employment, housing, health, education, public safety</li> <li>• Community Events</li> <li>• Resident Leadership</li> </ul>	<u>Community Building</u> <ul style="list-style-type: none"> <li>• Gardening Programs</li> <li>• Healthy Living</li> <li>• Healthy Generations</li> <li>• Outreach for key services/programs</li> </ul> <u>Early Services Connection</u> <ul style="list-style-type: none"> <li>• Needs Assessments</li> <li>• Family plans</li> <li>• Concentrated work in employment, health, education, public safety</li> </ul>	<u>Community Building</u> <ul style="list-style-type: none"> <li>• Intentional outreach for Collaborative Services</li> <li>• Wellness Activities</li> <li>• Support groups</li> </ul> <u>Early Services Connection</u> <ul style="list-style-type: none"> <li>• Needs Assessments</li> <li>• Family plans</li> <li>• Concentrated work in employment, health, education, public safety</li> </ul>

# HOPE SF Initiative





# HOPE SF Principles

1. Ensure no loss of public housing (1:1)
2. Create an economically integrated community
3. Maximize the creation of new affordable housing
4. Involve residents at the highest levels of participation throughout the rebuilding process
5. Provide economic opportunities through the rebuilding process
6. Integrate the rebuilding process with neighborhood improvement plans
7. Create environmentally sustainable and accessible communities
8. Create a strong sense of community



1895

# HOPE SF Master Plan Approvals

1. Development Agreement Ordinance
2. Housing Authority Contract Resolution
3. Planning Code, SUD Ordinance
4. Zoning Map Code Amendment Ordinance
5. General Plan Amendment Ordinance

Actions taken by the Planning Commission:

- a. Certification of Final EIRs
- b. Adoption of Planning Code  
Section 295 Findings
- c. Adoption of CEQA Findings and  
Master General Plan 101.1 Findings



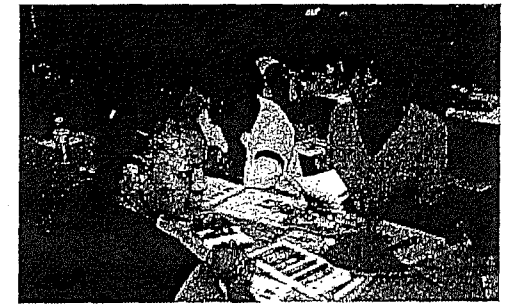
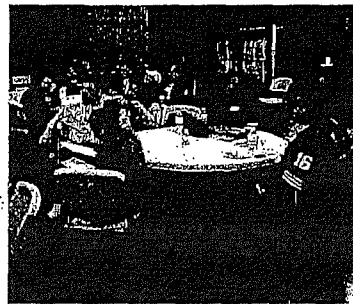
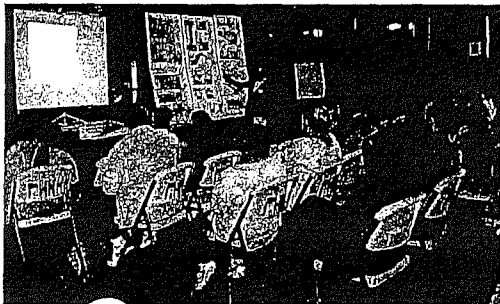
Sunnydale Master Plan



Potrero Central Park

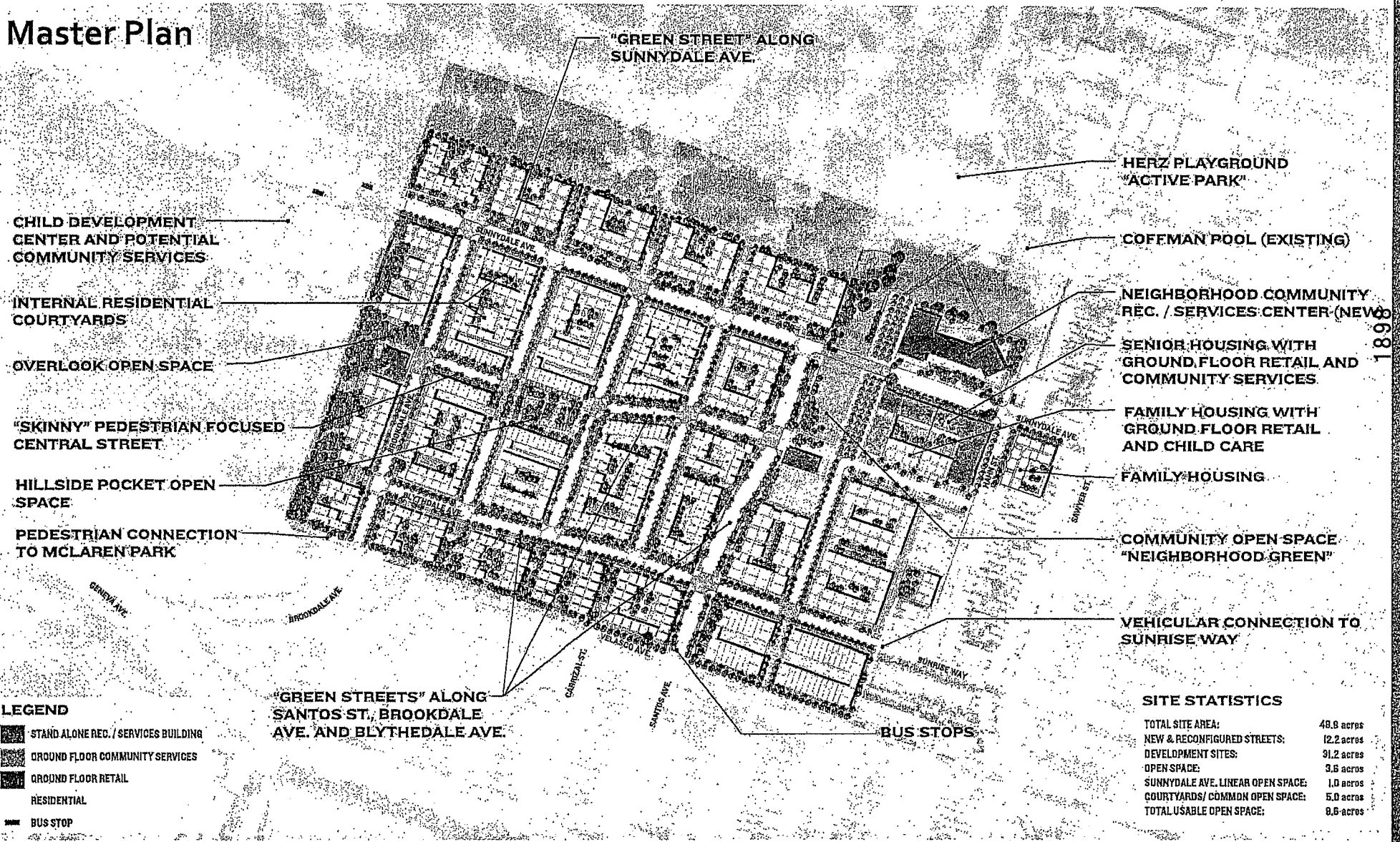
# HOPE SF Funding Plan

- The funding plan relies on multiple sources of funds, but primarily on the Housing Trust Fund and cross-subsidy from market rate parcel sales.
- The funding plan is phased over a long period and allows for continued affordable housing development at other sites around the City.
- Approval of City funding sources will undergo standard City annual approval processes on a phase-by-phase basis. The development timelines will be extended if there is not sufficient funding to achieve the current timelines.
- The DAs do not obligate the City financially, but outline the terms by which the projects will be implemented once funding is secured for each phase.



# HOPE SF Sunnydale

## Master Plan



# HOPE SF Sunnydale

## Affordable/Market Rate Building Plan

Phase 1A-1C

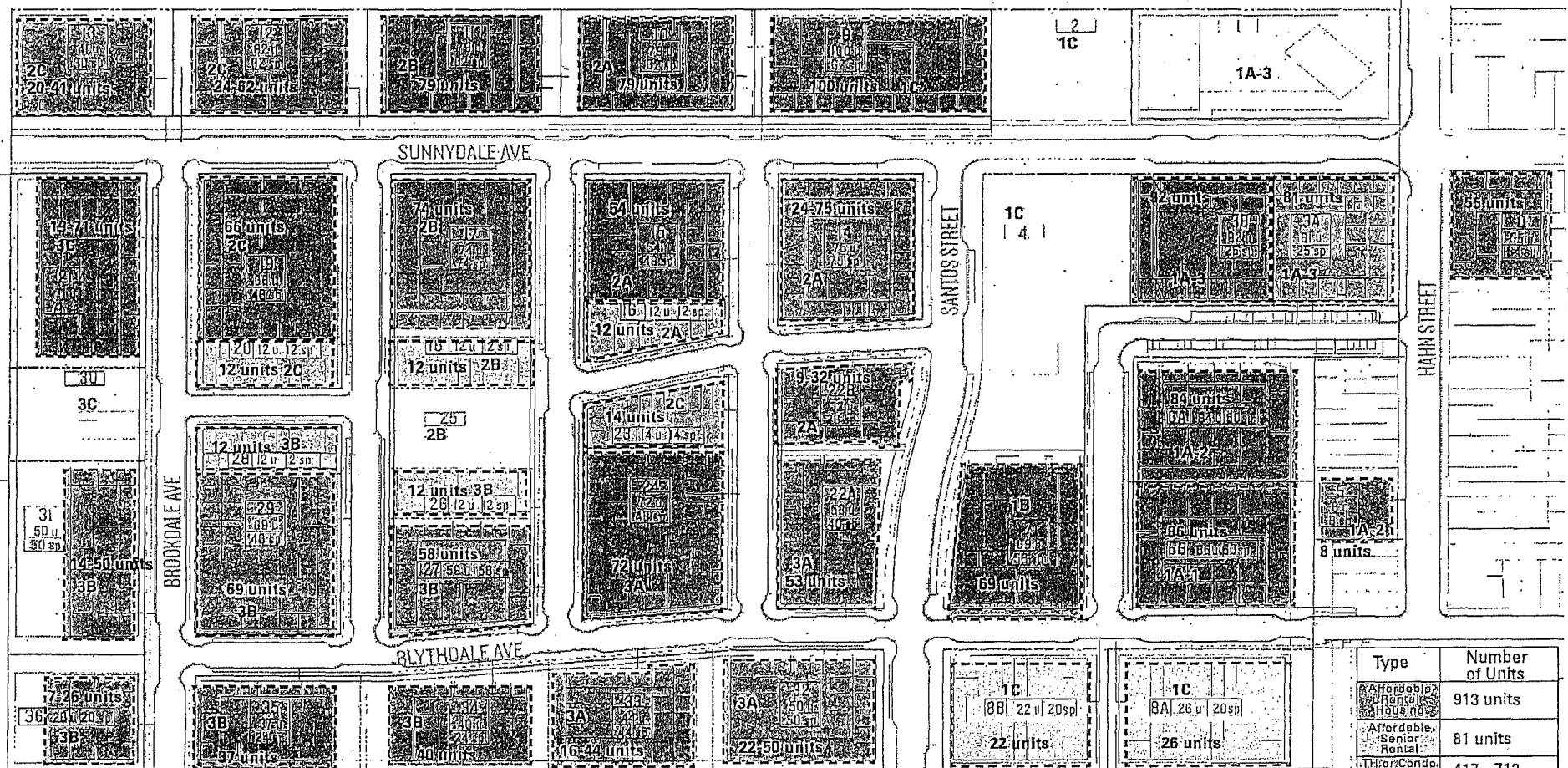
2017-2021

Phase 2A-2C

2021-2028

Phase 3A-3C

2026-2030





Type	Number of Units
Affordable Rental Housing	913 units
Affordable Senior Rental	81 units
For Condo/Home Ownership	417 - 713 units
Townhouse Home Ownership	122 units
<b>TOTAL:</b>	<b>1533-1829* units</b>

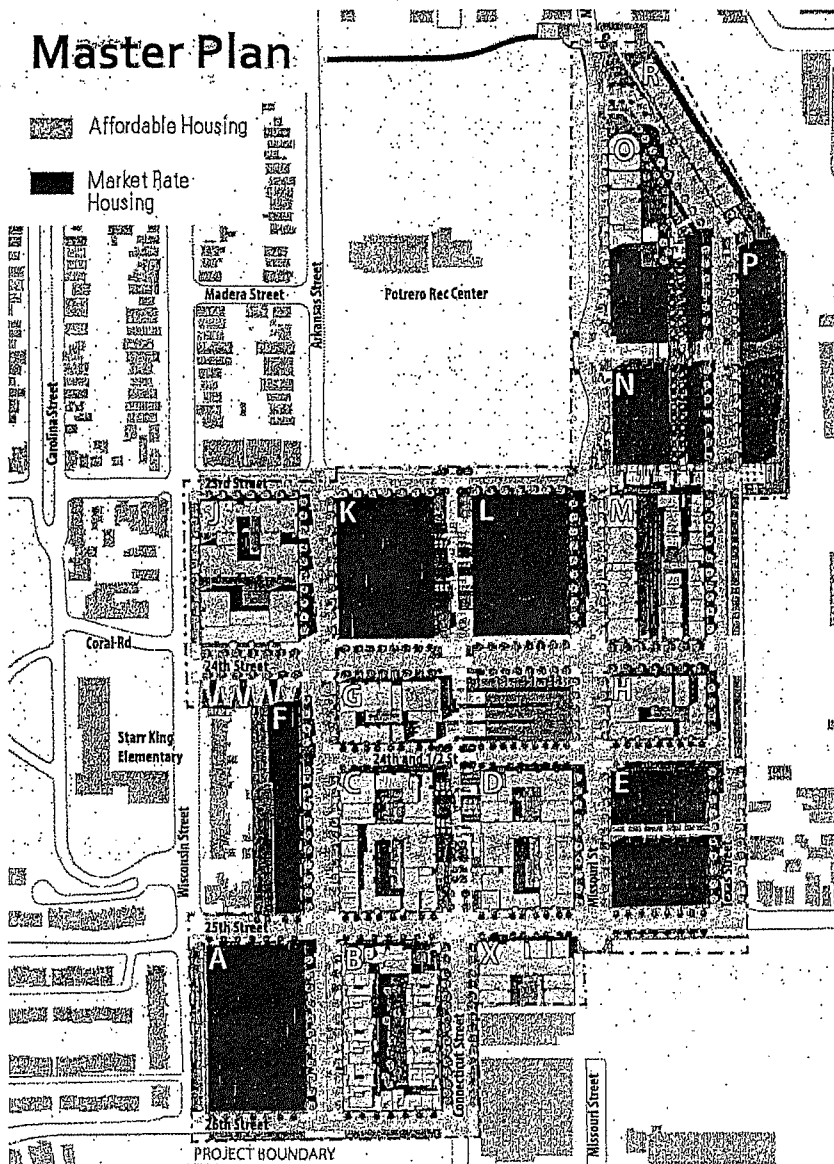
\*NOTE: 1829 units represents the highest unit count indicated in the ranges shown on the diagram. The actual maximum number of units cannot exceed 1700 per the Sunnydale Hope SF CEQA/NEPA study.



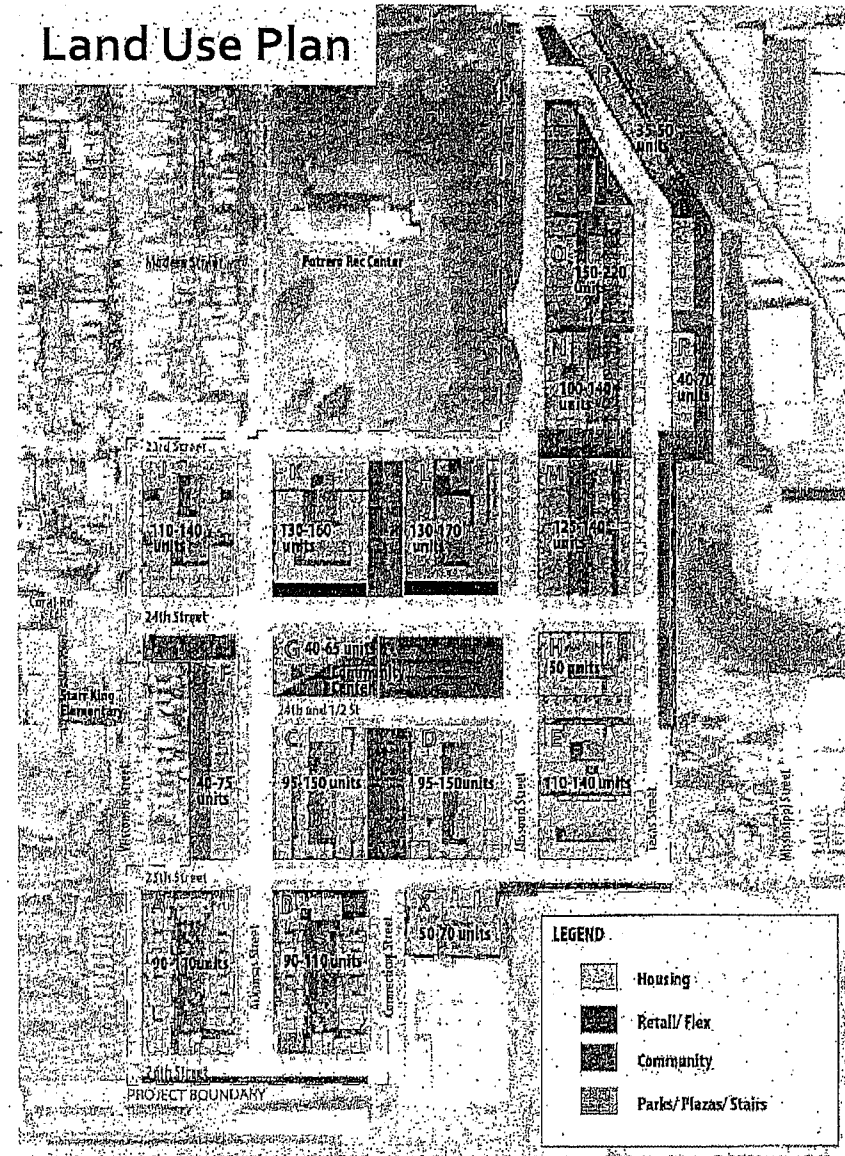
# HOPE SF Potrero


## Master Plan

-  Affordable Housing
-  Market Rate Housing

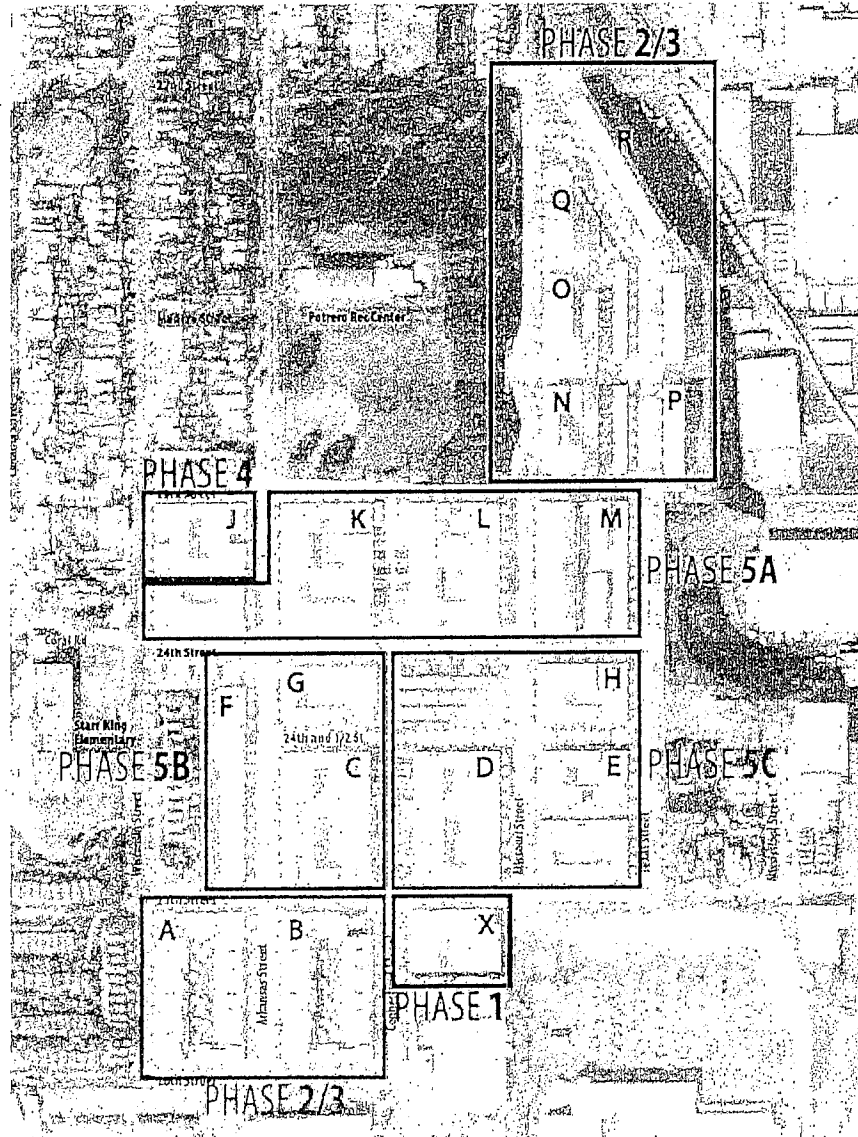


## Land Use Plan



- LEGEND**
-  Housing
  -  Retail/Flex
  -  Community
  -  Parks/Plazas/Stairs

# HOPE SF Potrero



## Phasing/Timeline

### Estimated Start Dates

Phase 1	2016
Phase 2	2018
Phase 3	2020
Phase 4	2022
Phase 5A	2024
Phase 5B/C	2025

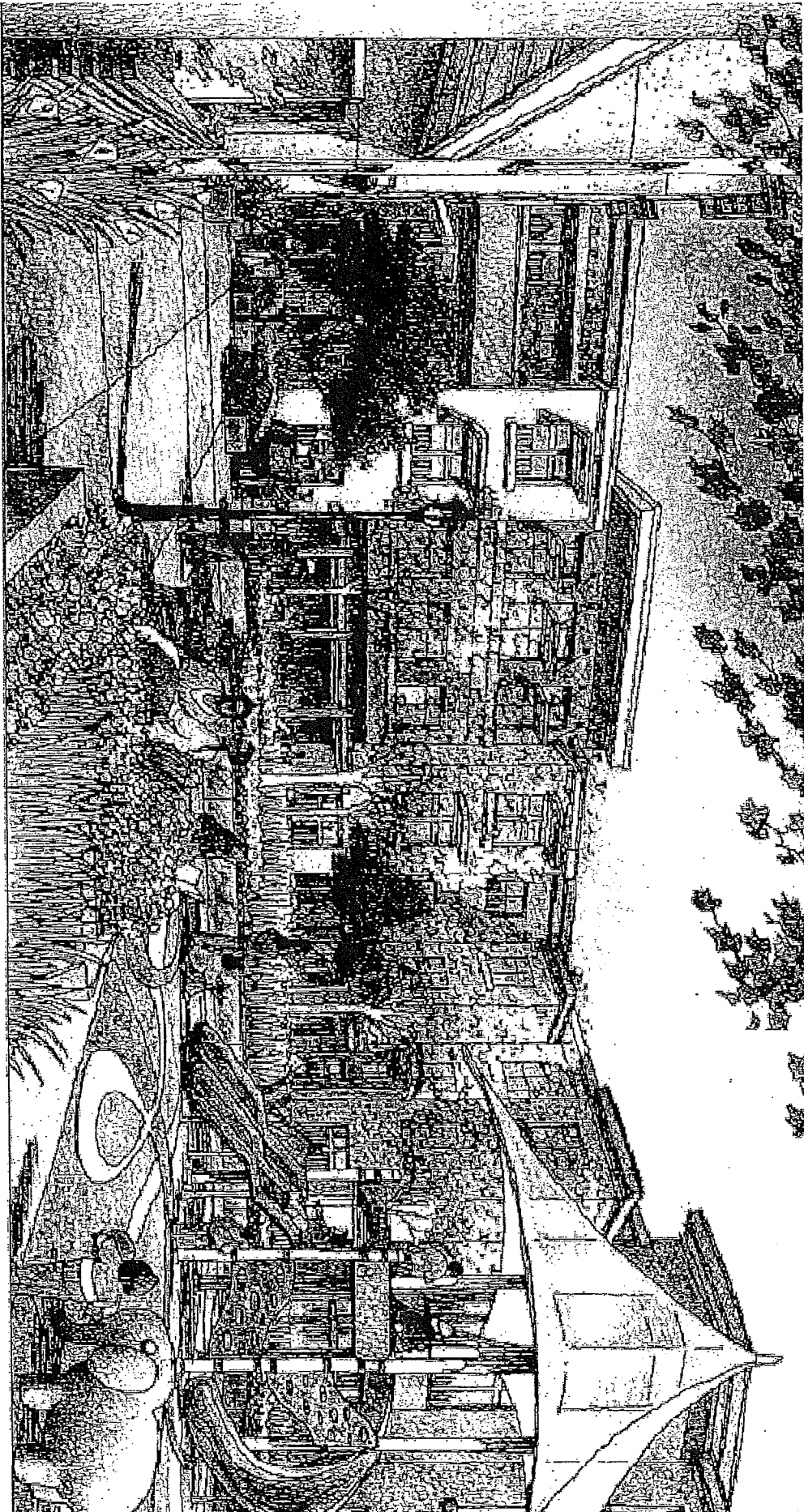
# HOPE SF Approvals Schedule

- Nov 17 Planning Commission – *unanimous approval*
- Nov 17 Rec and Park Commission – *unanimous approval*
- Dec 6 MTA Board – *unanimous approval*
- Dec 8 SF Housing Authority Commission – *unanimous approval*
- Dec 13 PUC Commission – *unanimous approval*
- Jan 9 BOS Land Use Committee - *positive recommendation*
- Jan 11 BOS Budget and Finance Committee
- Jan 24 + 31 Full Board of Supervisors

1902



# HOPE SF Questions?



1903

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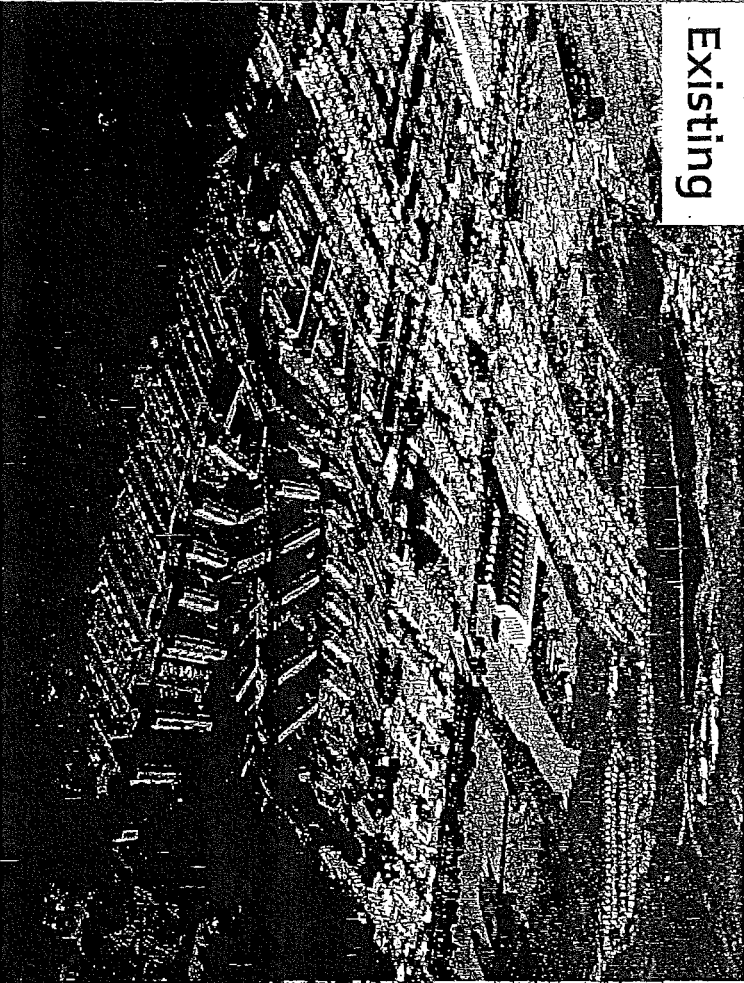


# APPENDIX

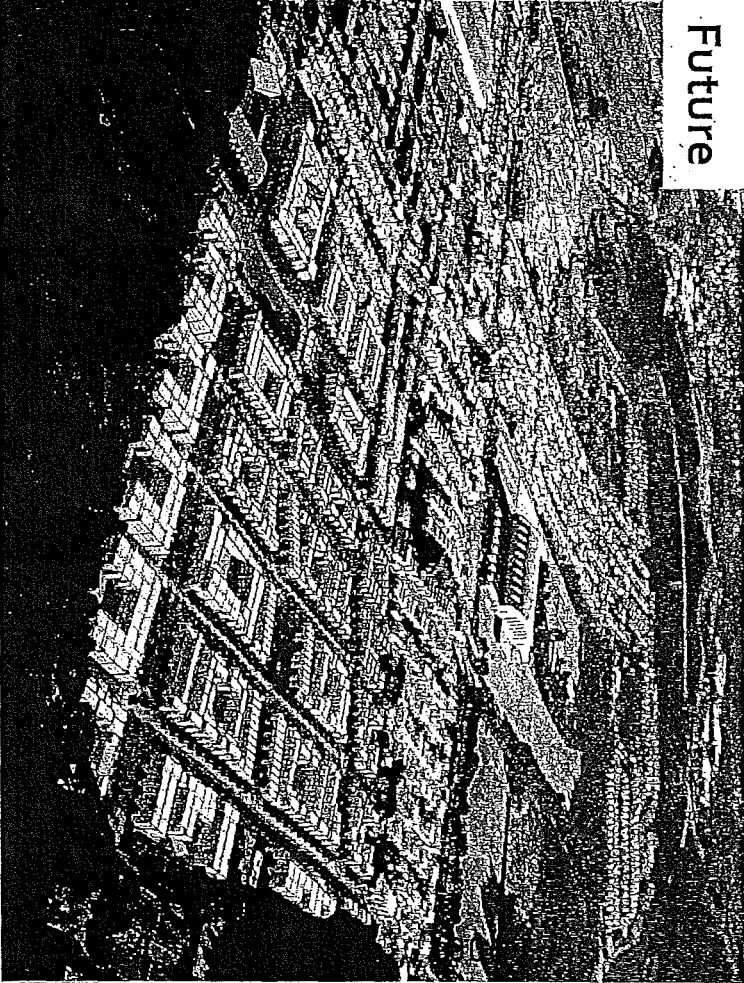
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# HOPE SF sunnydale

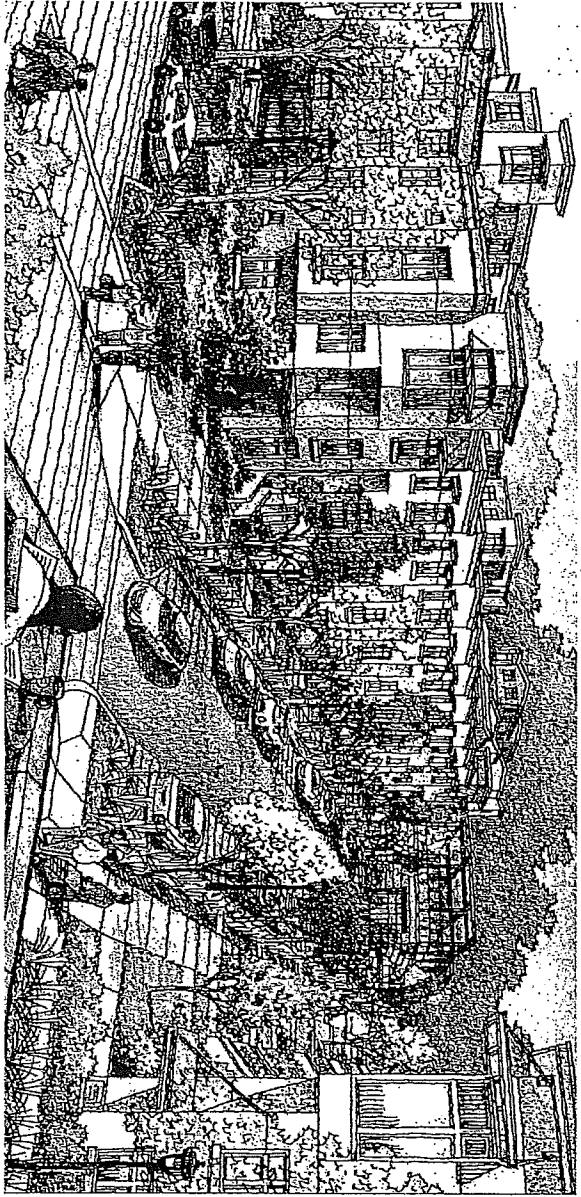
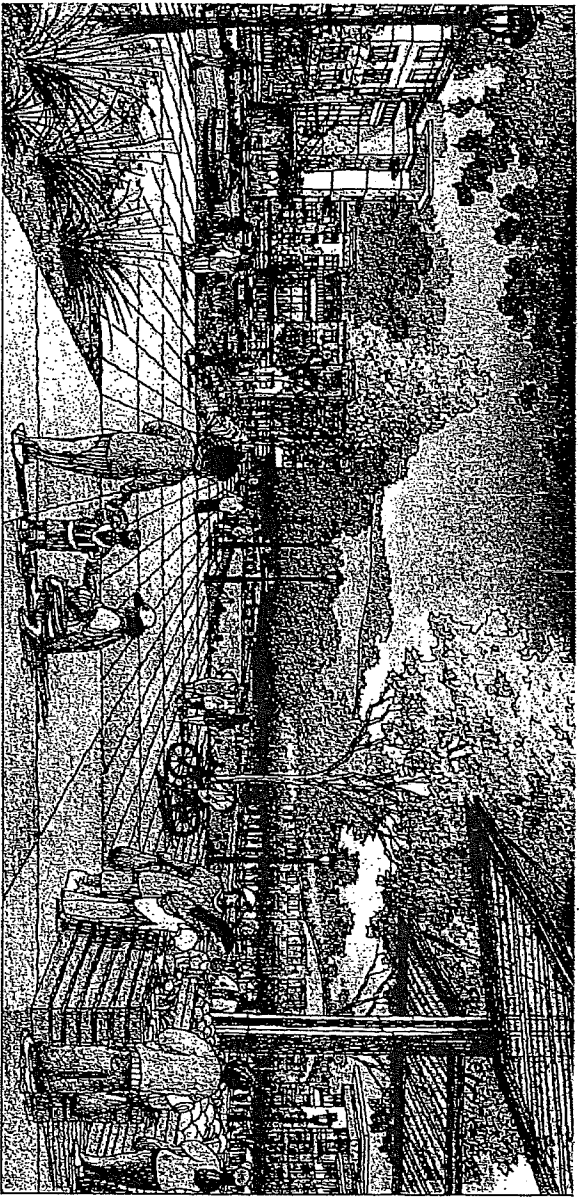
Existing



Future



# HOPE SF Sunnydale



HOUSED HEATHY WEL



# HOPE SF Sunnydale

## Phasing Plan

Phase 1A-1C

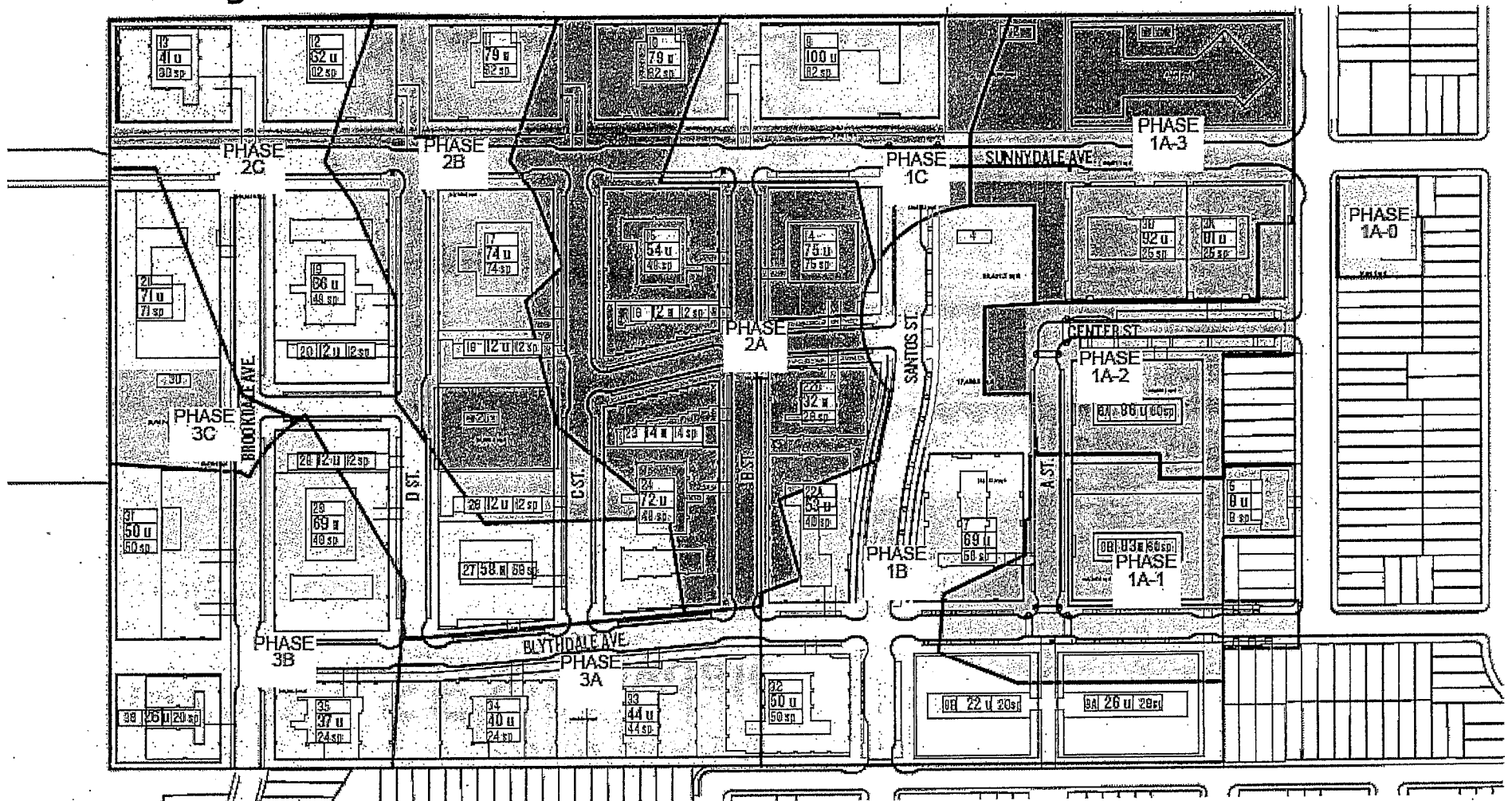
2017-2021

Phase 2A-2C

2021-2028

Phase 3A-3C

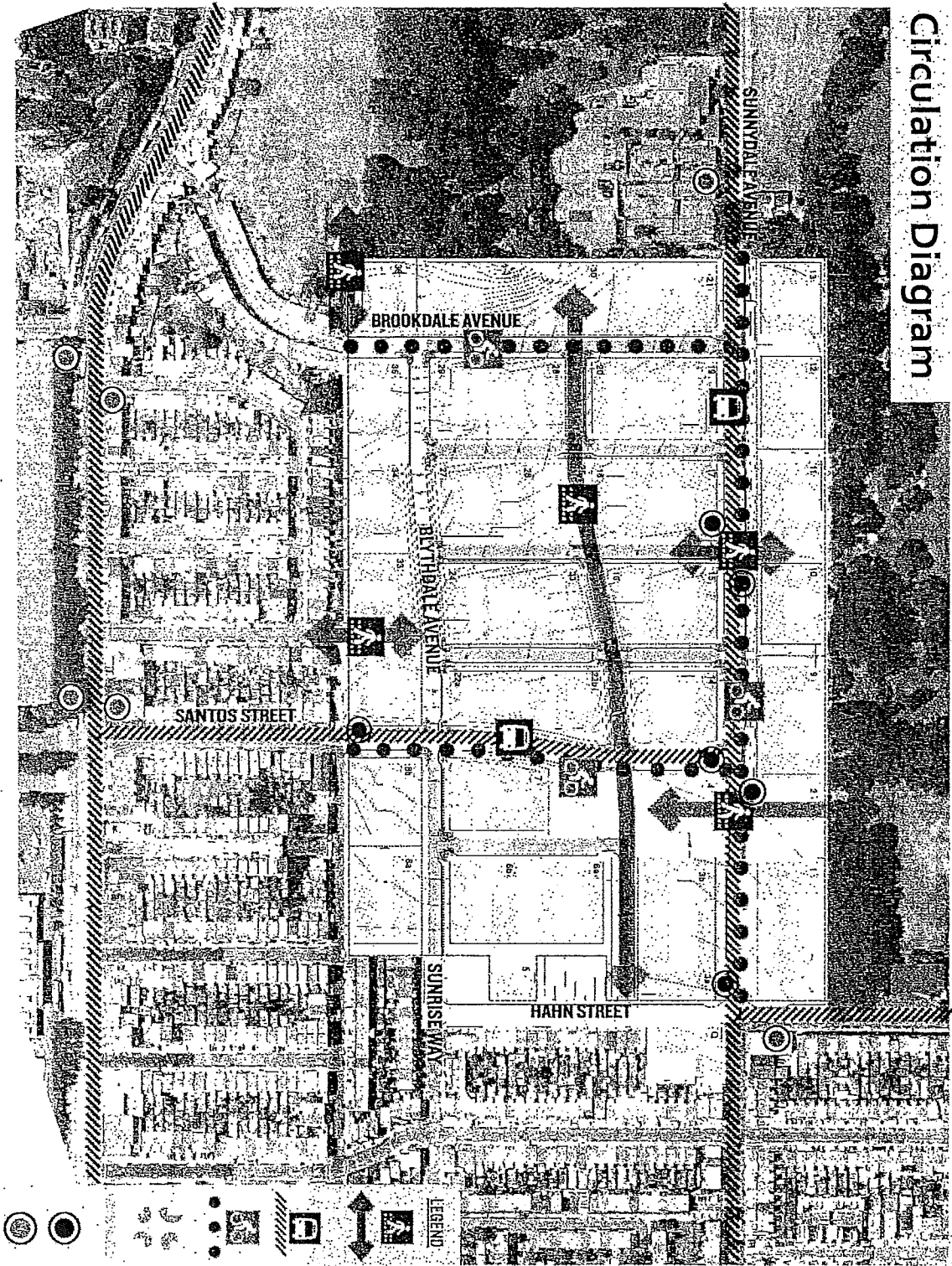
2026-2030



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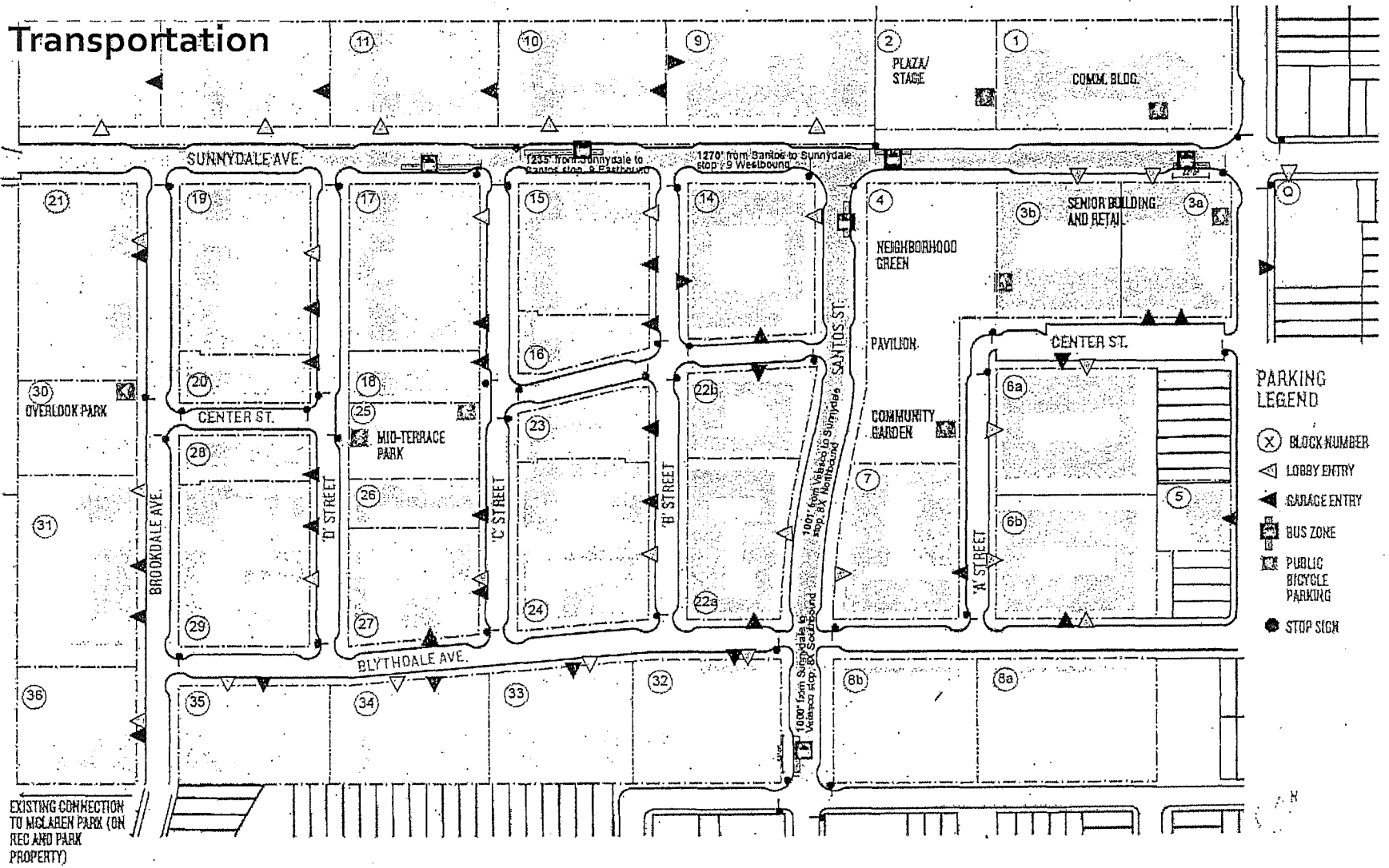
# HOPE SF Sunnydale

## Circulation Diagram



- LEGEND**
- NEW/IMPROVED PEDESTRIAN CONNECTION
  - BUS ROUTES
  - BIKE ROUTES
  - TRAFFIC CALMING
  - NEW STREET CONNECTIONS
  - NEW BUS STOP LOCATION
  - EXISTING BUS STOP

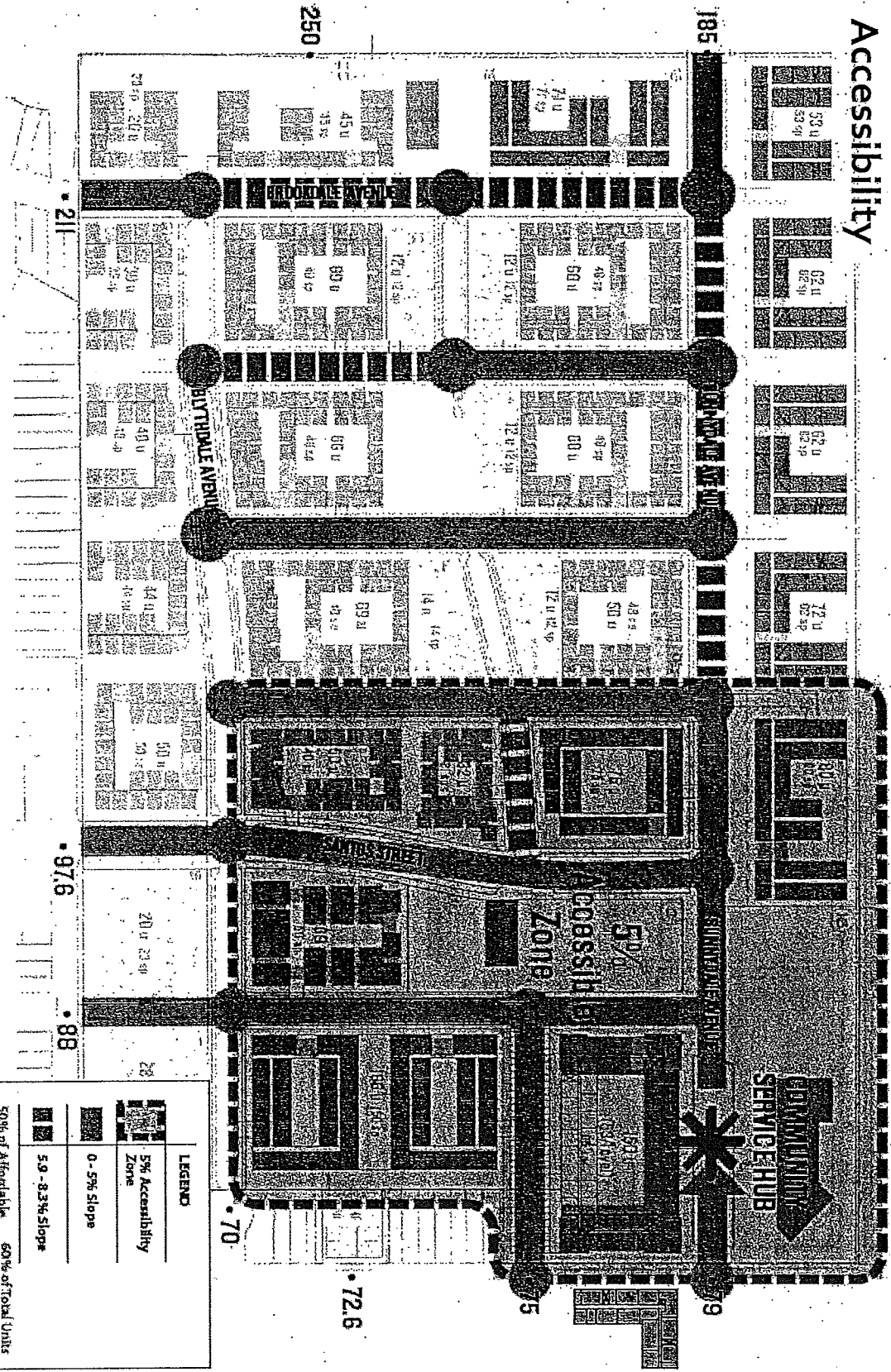
# HOPE SF Sunnydale



EXISTING CONNECTION TO MCLAREN PARK (ON REC AND PARK PROPERTY)

# HOPE SF Sunnydale

## Accessibility



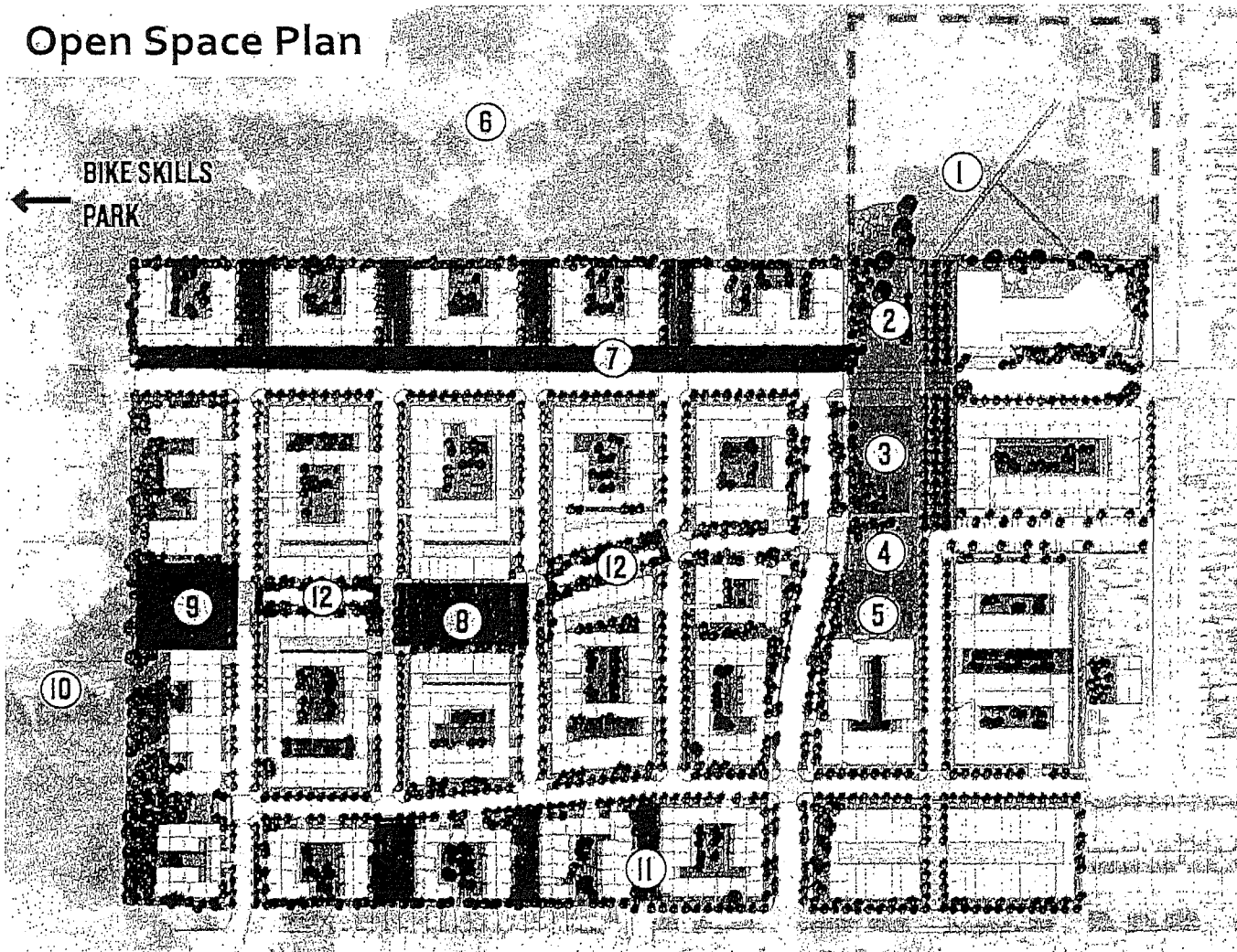
LEGEND	
	5% Accessibility Zone
	0-5% Slope
	5.0-8.3% Slope
	50% of Affordable Units on Accessible Path
	60% of Total Units Accessible

HOUSED. HEALTHY. WELL.



# HOPE SF Sunnydale

## Open Space Plan



### KEY

- 1 Herz Playground and Coffman Pool
- 2 Plaza and Stago
- 3 Neighborhood Green
- 4 Community Pavilion
- 5 Community Garden
- 6 Gleneagles International Golf Course
- 7 Sunnydale Linear Open Space
- 8 Mid-terrace Open Space
- 9 Overlook Open Space
- 10 McLaren Park
- 11 Pedestrian Access to Carrizal Street
- 12 Optional Terraced Greenway

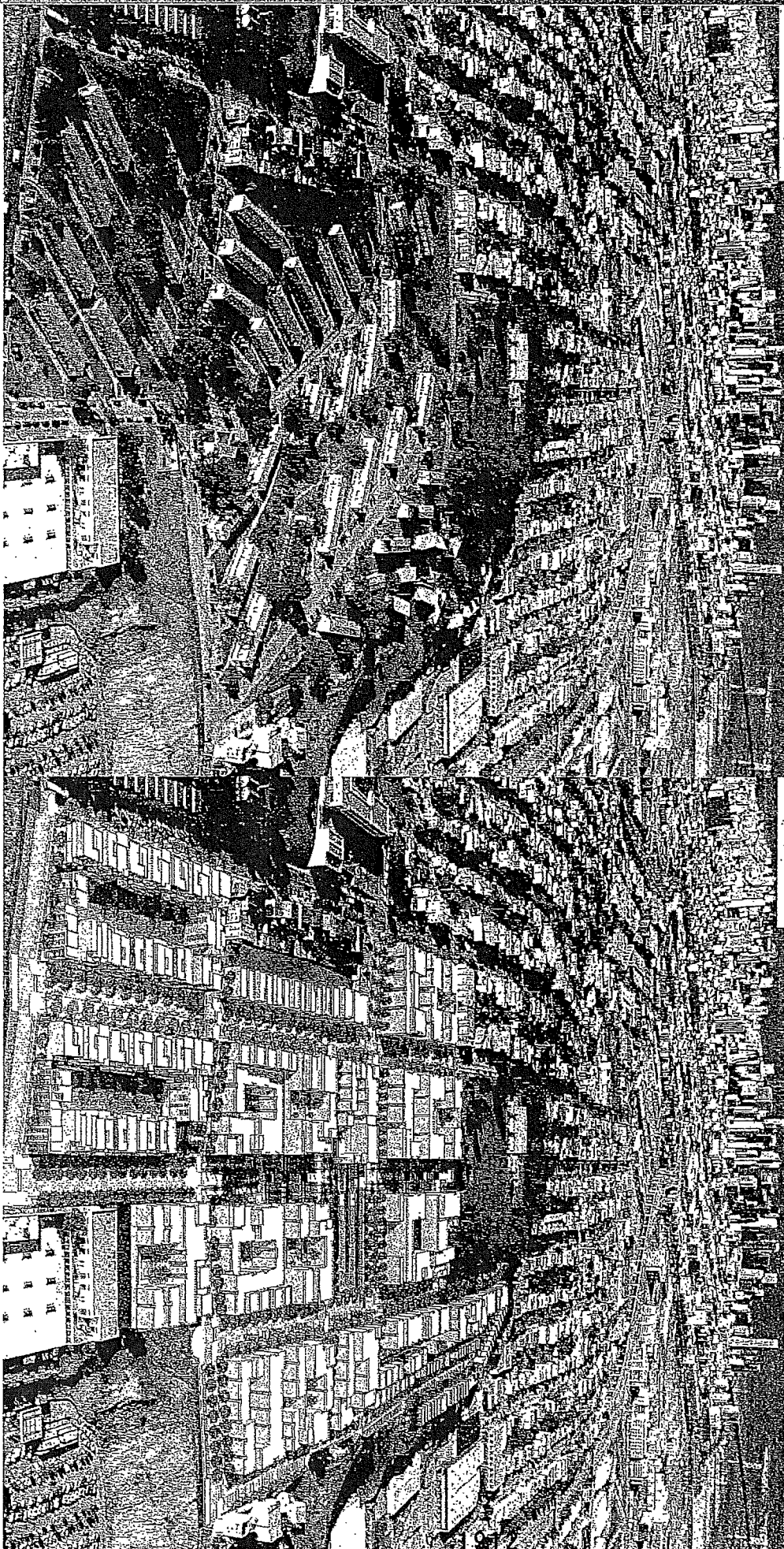
### LEGEND

- CENTRAL NEIGHBORHOOD OPEN SPACE
- EXISTING NEIGHBORHOOD PARK
- COMMUNITY OPEN SPACE
- ORCHARD
- INTERNAL RESIDENTIAL COURTYARD
- STORMWATER DEMONSTRATION LINEAR O.S.
- POCKET PARK

# HOPE SF potrero

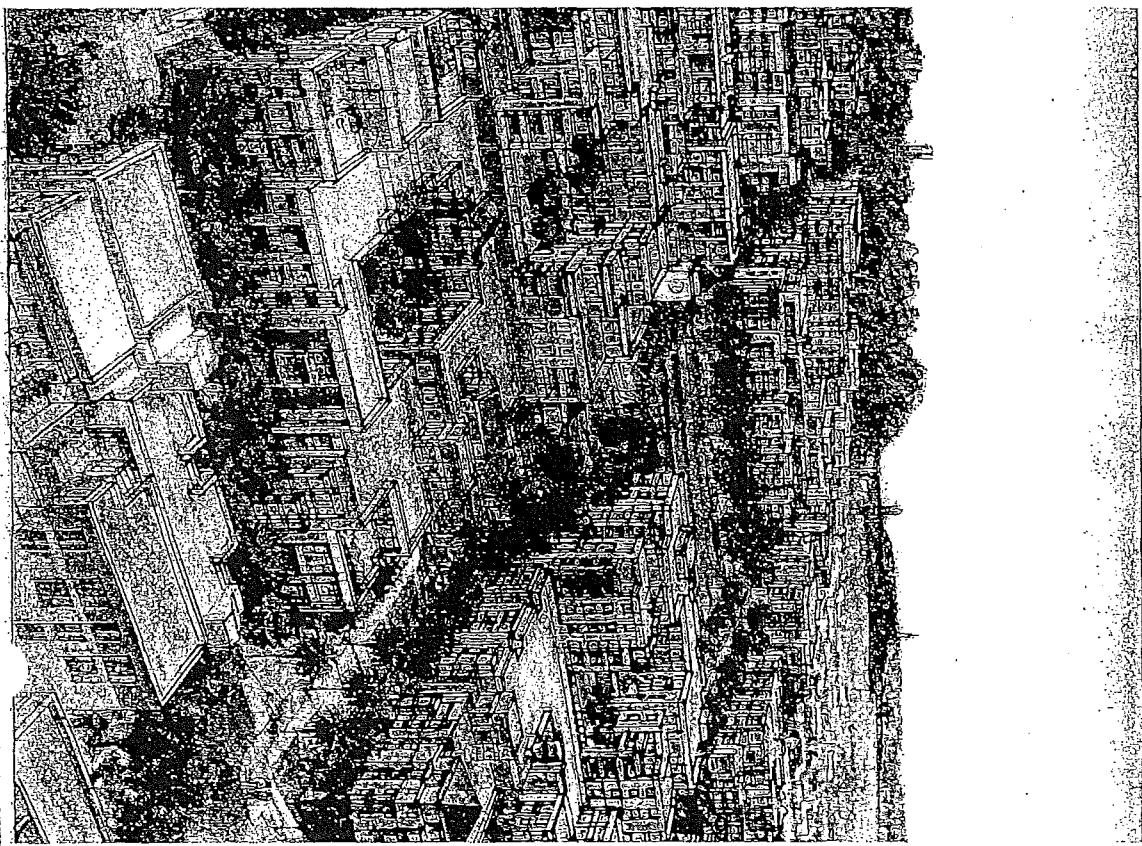
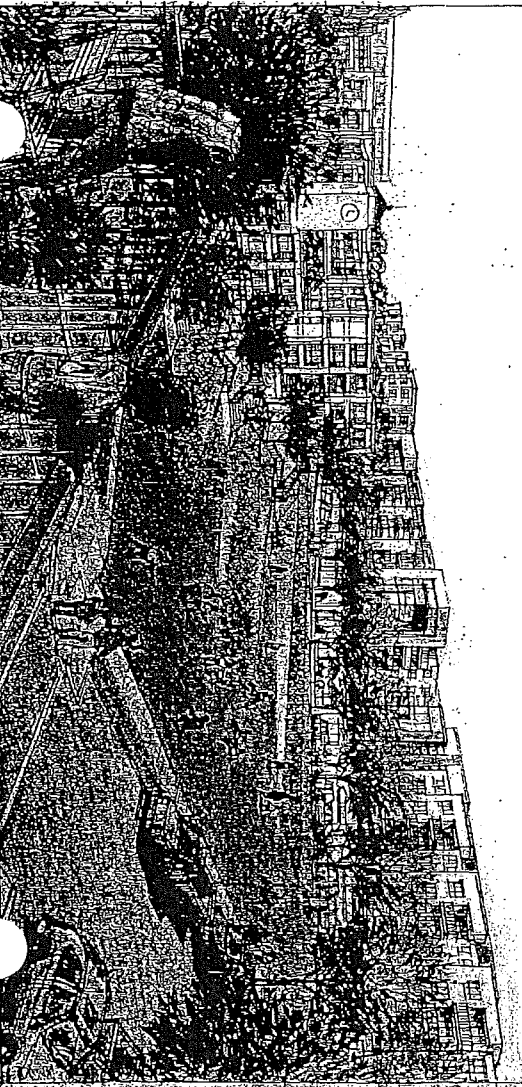
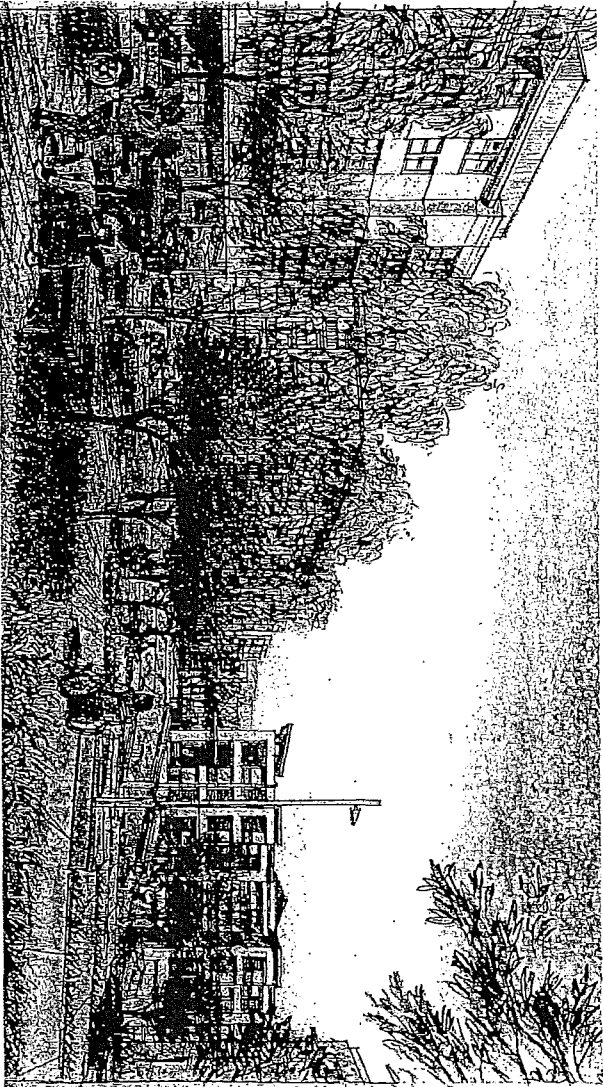
Existing

Future



HOUSED HEALTHY WELL

# HOPESF Potrero

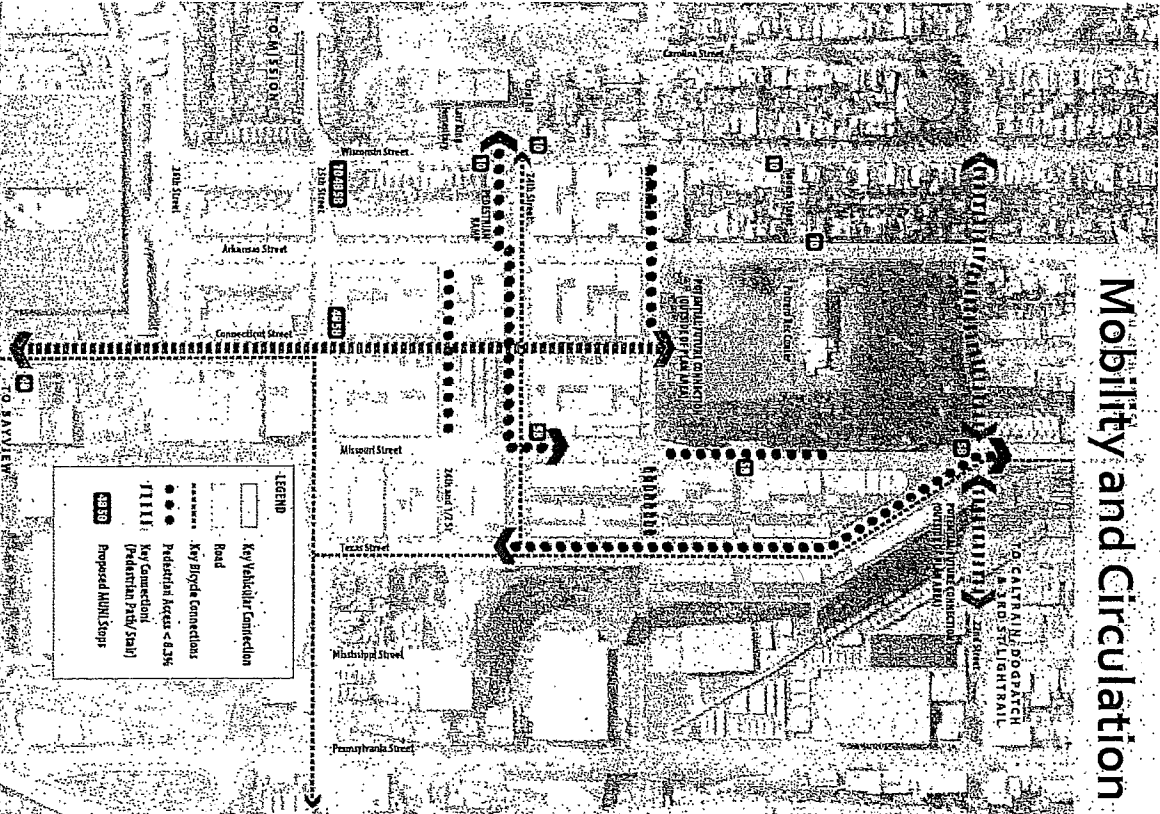
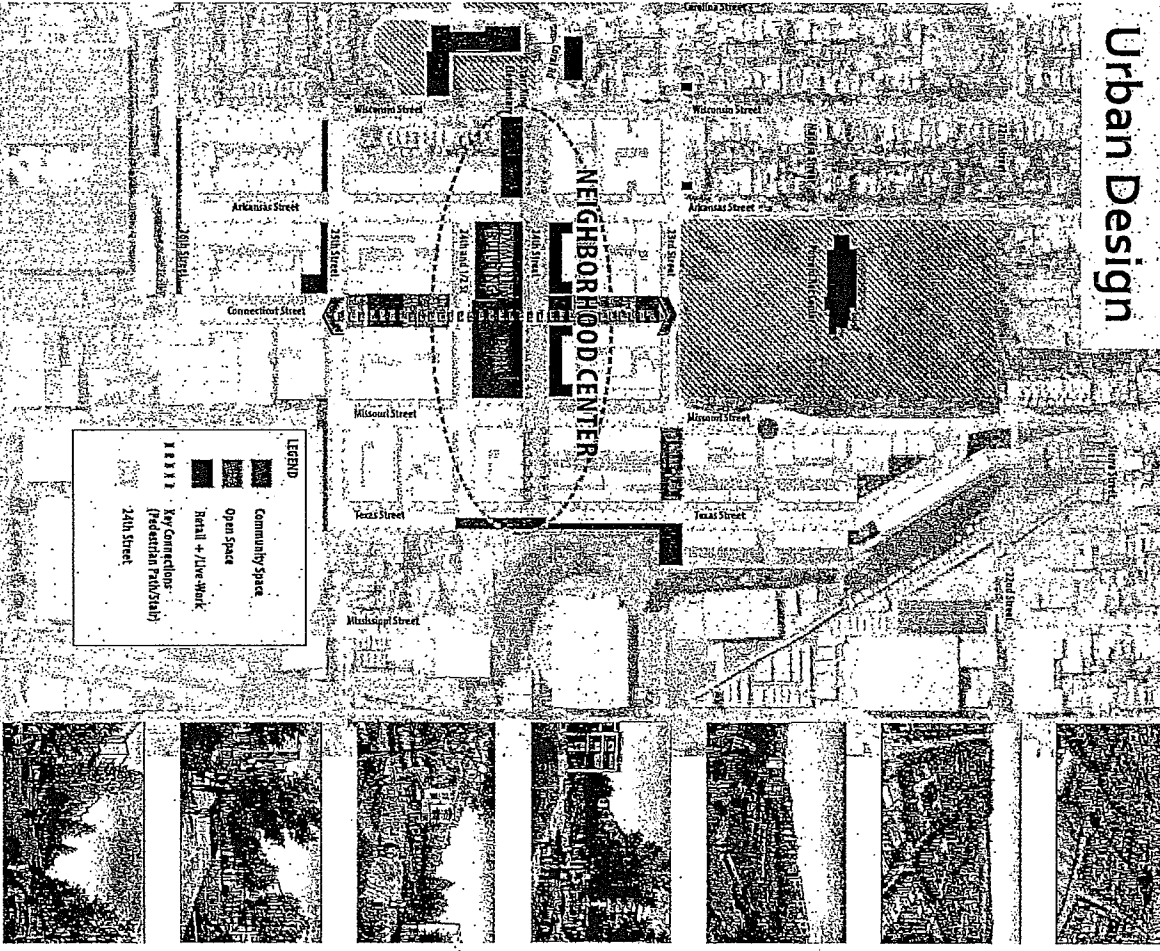


HOUSED HEALTHY WELL



# HOPE SF Potrero

## Urban Design

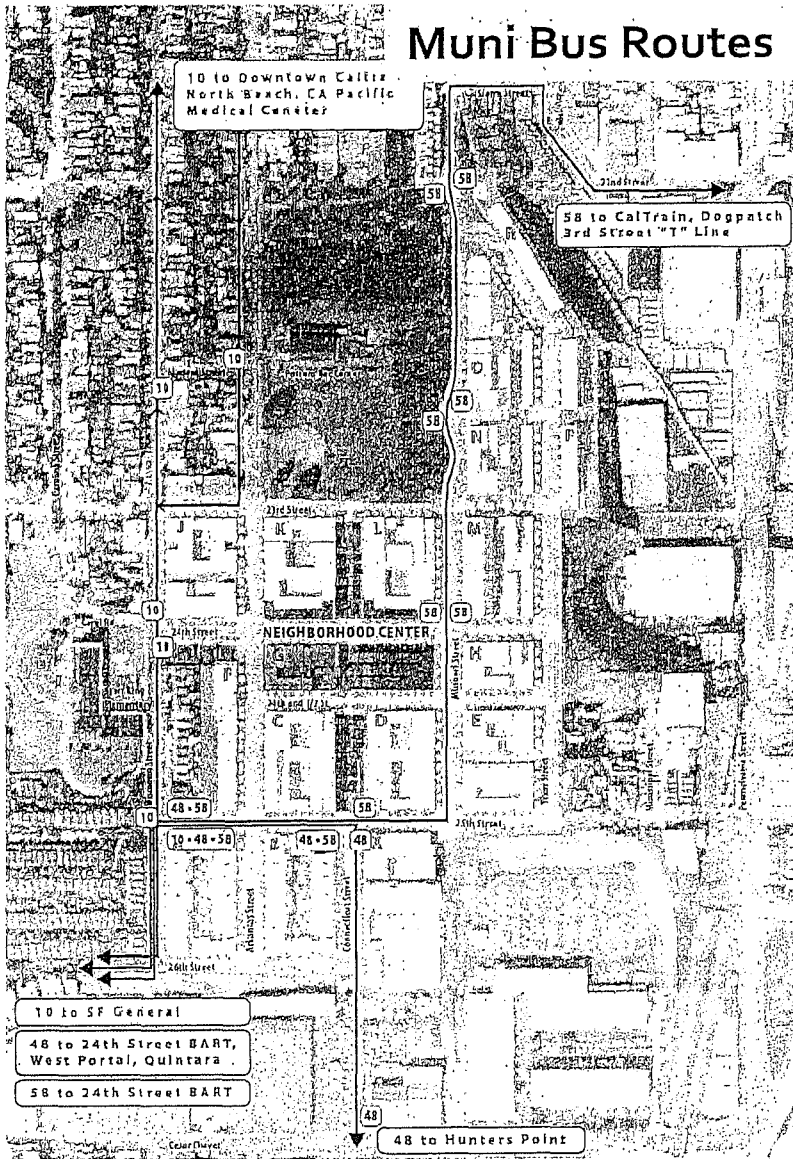


## Mobility and Circulation

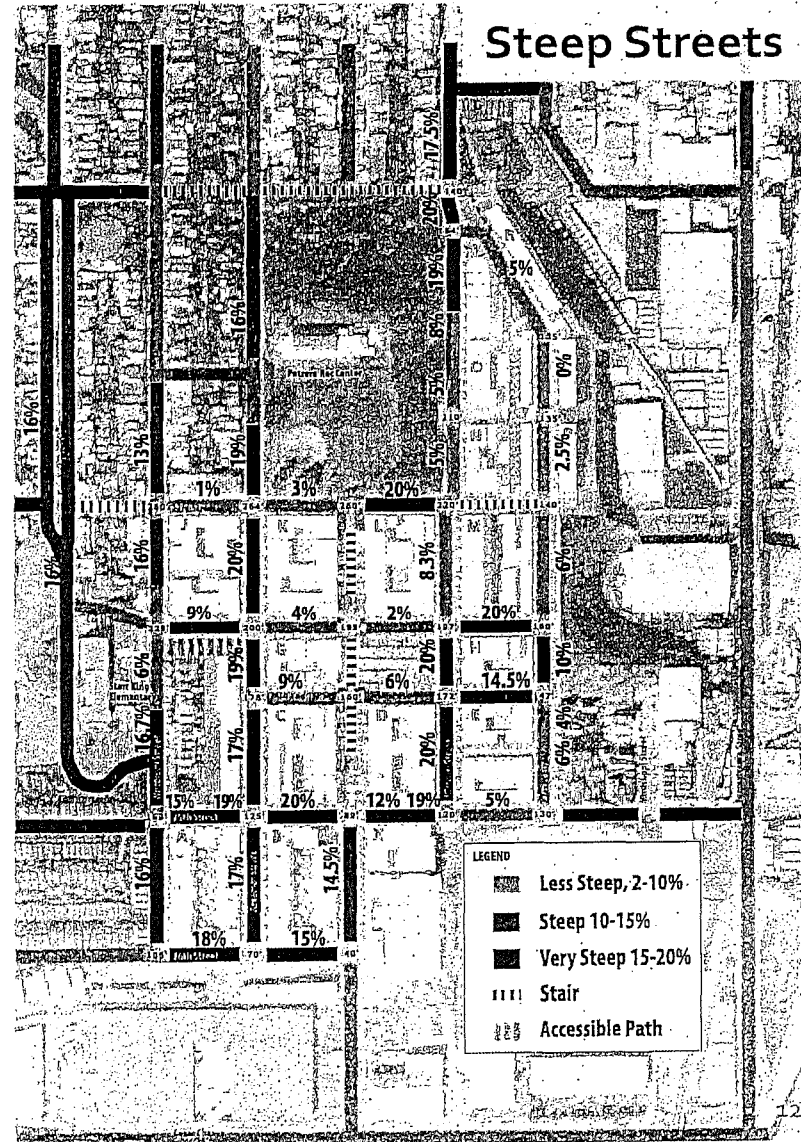
HOUSED HEALTHY WELL

# HOPE SF Potrero

## Muni Bus Routes

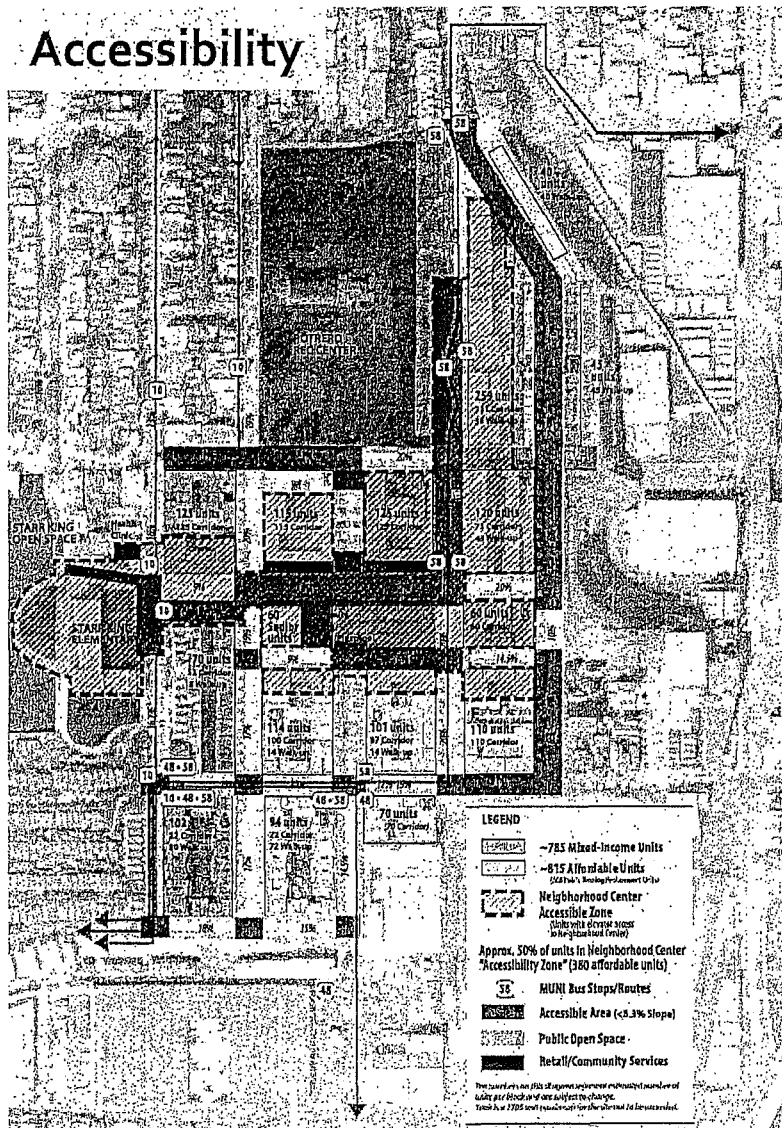


## Steep Streets



# HOPE SF Potrero

## Accessibility



## Building Heights

