File No. 260794 **Committee Item No.** 10
Board Item No. ____________

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Brent Jalipa **Date** July 15, 2026
Completed by: Brent Jalipa **Date** ____________

FILE NO. 260794 RESOLUTION NO.

[Rent Forgiveness, Month-to-Month Rent Reduction - Shew Yick Trust One, Robert Yick Exempt Assets Trust, Hon So, Inc., Hon Keung So, and Candy Mei-Yiu So - New Asia Restaurant - $1,172,500]

Resolution authorizing the Director of Property, in consultation with the Mayor's Office of Housing and Community Development ("MOHCD"), to partially forgive approximately $1,172,500 of approximately $1,507,500 in outstanding rent obligations and reduce the monthly base rent to $5,000 per month for the remaining duration of Shew Yick, Trustee of Shew Yick Trust One, and Shew Yick and Richard Tong, Trustees of Robert Yick Exempt Assets Trust, as Lessor, and Hon So, Inc., Hon Keung So, an individual, and Candy Mei-Yiu So, an individual, as Lessee's (collectively, "Tenant") month-to-month occupancy to end on September 30, 2026; and authorizing the Director of Property and Director of MOHCD, or their respective designees, to take any other related actions in furtherance of this Resolution, as defined herein.

WHEREAS, On or about June 28, 2017, the City and County of San Francisco ("City"), acting through the Mayor's Office of Housing and Community Development ("MOHCD"), acquired the property located at 772 Pacific Avenue (Assessor's Parcel Block No. 0161, Lot No. 15) (the "Property") for the purpose of developing affordable housing, and at that time was assigned the existing Lease dated January 1, 2002, between Shew Yick, Trustee of Shew Yick Trust One, and Shew Yick and Richard Tong, Trustees of Robert Yick Exempt Assets Trust, as Lessor, and Hon So, Inc., Hon Keung So, an individual, and Candy Mei-Yiu So, an individual (collectively, "Tenant"), as Lessee, for the operation of New Asia Restaurant at the Property (the "Lease"); and

WHEREAS, MOHCD issued a Request for Qualifications ("RFQ") on November 30, 2020, to develop affordable housing on nine sites, including the site at 772 Pacific Avenue, and Chinatown Community Development Center ("CCDC") was selected to sponsor the project on June 11, 2021; and

WHEREAS, The Lease expired on December 31, 2021, and Tenant has continued in month-to-month occupancy of the Property since that date under the existing terms of the Lease with a base rent of $22,500 per month based on restaurant use; and

WHEREAS, Tenant closed the New Asia Restaurant in March 2020 due to the City's shelter in place order and COVID-19 health orders, and because of the continued health orders during the COVID-19 pandemic requiring closure and/or limited seating/outdoor seating (which is physically impossible at this location), Tenant was unable to resume operations of the New Asia Restaurant as a banquet hall; and

WHEREAS**,** By Ordinance No. 059-21 (File No. 210001), the Board of Supervisors previously authorized the forgiveness of $202,500 in rent obligations owed by Tenant for the period of April 2020 through December 2020; and

WHEREAS, Tenant permanently shut down the New Asia Restaurant as of March 2020, and converted the Property into a grocery store; and

WHEREAS**,** By Ordinance No. 256-24 (File No. 240727), the Board of Supervisors approved the New Asia Senior Affordable Housing Special Use District at 758 Pacific Avenue and 772 Pacific Avenue, allowing for the proposed development of a 100% affordable senior housing project at the Property consisting of 175 units; and

WHEREAS**,** The Director of Property has determined that a monthly base rent of $5,000 is appropriate for Tenant's interim month-to-month occupancy given the pending demolition and redevelopment of the Property for 100% affordable senior housing; and

WHEREAS, The project sponsor of the senior affordable housing project, CCDC, has submitted an application for low-income housing tax credits and anticipates commencing demolition of the improvements on the Property in October 2026 and commencing construction of the affordable housing on or before March 2027; and

WHEREAS**,** MOHCD and the Real Estate Division are concurrently submitting to the Board of Supervisors for approval of a ground lease and intend to submit related financing approvals for the development of 100% affordable housing on the Property on or before December 2026; and

WHEREAS**,** The month-to-month lease was not amended to reflect a $5,000 monthly base rent, and based on the existing base rent of $22,500 per month, Tenant has accrued outstanding rent obligations of approximately $1,507,500 during its continued month-to-month occupancy of the Property following expiration of the Lease; and

WHEREAS, If the base rent had been lowered to $5,000 per month since January 2021, Tenant would have owed the City a total base rent of $335,000 rather than $1,507,500, which is a difference of $1,172,500; and

WHEREAS**,** The City has determined that partial rent forgiveness of $1,172,500 and structured resolution of the outstanding rent obligations will facilitate an orderly transition, support Tenant's continued compliance during the remainder of the interim occupancy period, and serve the public interest in maintaining an active community-serving business at the Property during the pre-development period for the affordable housing project; and, now therefore, be it

RESOLVED**,** That the Board of Supervisors authorizes the forgiveness of approximately $1,172,500 of the approximately $1,507,500 in outstanding rent obligations accrued by Tenant during its continued month-to-month occupancy of the Property on the condition that Tenant vacates the Property by no later than September 30, 2026; and, be it

FURTHER RESOLVED**,** That the remaining balance of approximately $335,000 shall remain an outstanding obligation owed to the City, which Tenant may reduce through any relocation benefits provided to Tenant in connection with the development of the affordable housing project and required under federal and state law; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property and MOHCD to reduce Tenant's monthly rent to $5,000 per month for the remainder of the month-to-month tenancy; and, be it

FURTHER RESOLVED, That Tenant shall vacate the Premises by no later than September 30, 2026, consistent with MOHCD's demolition and development schedule for the Property; and, be it

FURTHER RESOLVED, That Tenant's failure to vacate the Property by no later than September 30, 2026, or remain in compliance with the Lease, as determined by the Director of Property, shall result in termination of the rent forgiveness authorized herein, and Tenant shall immediately repay to the City an amount up to $1,172,500 based on the period of non-compliance.

RECOMMENDED:

_____/s/_Daniel Adams_________
Daniel Adams, Director
Mayor's Office of Housing and Community Development

_____/s/_Sarah R. Oerth_________
Sarah R. Oerth, Director of Property
Real Estate Division

Items 9 & 10 Files 26-0793, File 26- 0794	Department: Mayor's Office of Housing and Community Development (MOHCD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution in File 26-0793 would approve and authorize (1) the acquisition of real property at 758 Pacific Avenue in the amount of $2,178,786 for the construction of affordable housing; (2) an amended loan agreement for an amount not to exceed $13,666,153 for a minimum term of 57 years to finance predevelopment project costs; (3) a residential ground lease with Chinatown Community Development Center (CCDC) New Asia Housing, L.P. for property at 758 Pacific and 772 Pacific Avenue for a lease term of 75 years with one 24-year option to extend, and annual base rent of $15,100; (4) a commercial ground lease with CCDC New Asia Commercial LLC for property 772 Pacific Avenue for a lease term of 75 years with one 24-year option to extend, and an initial annual base rent of $1 to operate and maintain space for community-serving purposes; and (5) approve certain agreements and adopt certain findings in support of the project.
- The proposed resolution in File 26-0794 would authorize the Director of Property to partially forgive approximately $1,172,500 of approximately $1,507,500 in outstanding rent obligations owed by tenants of 772 Pacific so long as they vacate by September 30, 2026.

Key Points

The 772 Pacific Avenue Senior Housing project is a new 15-story, 175-unit affordable housing development for seniors at 772 Pacific and 758 Pacific to be developed by Chinatown Community Development Center for a total estimated cost of $176,947,986.

Fiscal Impact

- The proposed resolution provides for the City purchase of real property at 758 Pacific Avenue for $2,178,786 and an increase of $3,847,903 to the current loan agreement for predevelopment costs. Under the proposed residential and commercial ground leases, the City would receive $1,852,300 and $75, respectively, in rent over the initial 75-year term or $2,859,700 and $99, respectively, over 99 years if the option to extend is exercised.
- The proposed rent forgiveness forfeits $1,172,500 in back rent owed to the City.

Recommendations

- For File 26-0793, approve the resolution and request MOHCD and CCDC sublease the commercial space pursuant to a competitive procurement process and requiring a sublessee with a demonstrated good business relationship with the City.
- For File 26-0794, amend the resolution to require MOHCD to remit to the Clerk of the Board the notice of the change in lease terms to the 772 Pacific tenant and include the document in the legislative file for File 26-0794.
- Request MOHCD to report back to the Board of Supervisors by January 15, 2027 on MOHCD commercial tenants that are not paying rent or are otherwise not in compliance with lease terms and plans to bring them into compliance.

MANDATE STATEMENT

City Charter Section 9.118(c) states that any lease of real property for a period of ten years or more or that has revenue to the City of $1 million or more is subject to Board of Supervisors approval.

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

Project Description

The 772 Pacific Avenue Senior Housing project is a new 15-story, 175-unit affordable housing development for seniors to be located at 772 Pacific and 758 Pacific Avenue. Chinatown Community Development Center (CCDC) was selected to develop the 772 Pacific Avenue site pursuant to a request for qualifications issued November 30, 2020 for multiple sites. CCDC created New Asia Housing, L.P. (Developer) to serve as the legal affiliate for the project.

On August 10, 2022, MOHCD and CCDC executed the first loan agreement for $4,100,000 million, to provide funding for predevelopment activities. Subsequently, the Developer identified that an adjacent property at 758 Pacific Avenue was available for purchase and could be used to expand the number of affordable housing units from 86 to 175. Accordingly, the City executed a loan agreement amendment, adding $3,067,731 for a total loan amount not to exceed $7,167,731 on August 20, 2024 to effectuate the purchase of 758 Pacific Avenue and to fund additional predevelopment costs. On December 19, 2025 a second loan agreement amendment was executed adding $2,650,519 in Federal HOME funds for additional predevelopment costs for a total not to exceed amount of $9,818,250. The original loan agreement and subsequent amendments were approved by the Citywide Affordable Housing Loan Committee but did not require Board approval because the loan agreement remained less than $10 million and ten years.

The 175 affordable housing units consists of studios and one bedroom targeting households earning 15 – 60% area median income.

According to the project synopsis presented to the Citywide Affordable Housing Loan Committee (Loan Committee) on May 15, 2026, total development costs of the project are currently estimated to be $176,947,986.

Exhibit 1: Sources and Uses of Funds for 772 Pacific Senior Housing Project

Sources	Amount
MOHCD Loan	$53,371,272
MOHCD Commercial Loan	7,698,440
MOHCD Chinatown Community Dev Fund	250,000
MOHCD Accrued Deferred Interest	3,167,830
Tax Credit Equity	74,918,107
HCD Multifamily Housing Program Loan	32,000,000
Deferred Developer Fee	5,000,000
Commercial Accrued Deferred Interest	472,337
General Partner Equity	70,000
Total Sources	**$176,947,986**

Uses	Amount
Acquisition (Legal/Closing/Broker Costs)	$0
Construction (Includes 10.2% Contingency)	135,358,225
Soft Costs (Includes 5.4% Contingency)	30,743,239
Reserves	846,522
Developer Fee	10,000,000
Total Uses	**$176,947,986**

Source: MOHCD

Acquisition costs totaling $7.2 million are excluded from the project's total development costs. Development costs are estimated to be $1,011,131 per unit, or 12% above average when compared to other MOHCD projects. Further, estimated soft costs are 22% greater and hard costs are 35% greater than the average of comparable MOHCD projects according to the project synopsis.

Project Status and Next Steps

CCDC requested an updated preliminary MOHCD gap funding commitment of $61,319,712 to support the Developer's application to the California Debt Limit Allocation Committee (CDLAC) for tax credit equity financing which was due May 19, 2026. The Loan Committee approved this preliminary gap financing commitment on May 15, 2026. The Developer anticipates returning to the Loan Committee in Fall 2026 with a more robust gap loan evaluation which considers updated cost estimates based on construction contract bids. MOHCD anticipates bringing the gap loan documents to the Board for approval in late Fall 2026. The Developer anticipates demolition of the existing structures in December 2026, construction start in February 2027 and completion in October 2029, and 95% occupancy by January 2030.

DETAILS OF PROPOSED LEGISLATION

File 26-0793 is a proposed resolution that would:

1. Approve and authorize the Director of Property on behalf of MOHCD to acquire real property located at 758 Pacific Avenue from CCDC New Asia Housing, L.P. for $2,178,786;
2. Place 758 Pacific Avenue under the jurisdiction of MOHCD for the construction of affordable housing;
3. Approve and authorize an amended loan agreement with CCDC New Asia Housing, L.P. for an amount not to exceed $13,666,153 for a minimum term of 57 years to finance predevelopment project costs;
4. Approve and authorize a residential ground lease between MOHCD and CCDC New Asia Housing, L.P. for property at 758 Pacific and 772 Pacific Avenue for a lease term of 75 years with one 24-year option to extend, and annual base rent of $15,100 to construct affordable housing;
5. Approve and authorize a commercial ground lease between the MOHCD and CCDC New Asia Commercial LLC for property at 758 Pacific and 772 Pacific Avenue for a lease term of 75 years with one 24-year option to extend, and annual base rent of $1 and 40% of surplus cash from operations to operate and maintain space for community-serving purposes;
6. Adopt findings that the property is “exempt surplus land” pursuant to the California Surplus Lands Act;
7. Determine that the below market rent payable under the residential and commercial ground leases will serve a public purpose, in accordance with Administrative Code Section 23.30;
8. Adopt findings that the project and proposed transactions are consistent with the General Plan and Planning Code; and
9. Authorize the Director of Property and/or MOHCD Director to execute the purchase agreement, loan agreement, residential and commercial ground leases, and make further additions, amendments, or modifications to these agreements, so long as the benefits to the City do not decrease and/or the obligations of the City do not increase.

The documents approved as part of this resolution include: (1) Agreement of Purchase and Sale for Real Estate; (2) Third Amendment to Loan Agreement; (3) Third Amended and Restated Secured Promissory Note; (4) Residential Ground Lease; and (5) Commercial Ground Lease, all between the City and the Developer.

File 26-0794 is a proposed resolution that would:

1. Authorize the Director of Property, in consultation with MOHCD, to partially forgive approximately $1,172,500 of approximately $1,507,500 in outstanding rent obligations owed by Hon So, Inc., Hon Keung So, Candy Mei-Yiu So, David Ho, Shew Yick, and Richard Tong doing business as New Asia Restaurant, Inc. (collectively, the Tenant) for the

occupancy of commercial space at 772 Pacific Avenue and reduce the monthly base rent from $22,500 to $5,000 per month for the Tenant's month-to-month occupancy to end on September 30, 2026; and

2. Authorize the Director of Property and Director of MOHCD, to take any other related actions in furtherance of this resolution.

MOHCD reports that there will be no legal documents executed to effectuate this change and that the proposed resolution is sufficient to authorize the rent forgiveness and the rent reduction.

Real Property Acquisition

The proposed Agreement of Purchase and Sale for Real Estate would convey 758 Pacific Avenue to the City in exchange for a $2,178,786 credit to the unpaid principal balance of the City's loan to CCDC New Asia Housing, L.P., which includes both the original purchase price and closing costs incurred by New Asia Housing L.P.

Loan Agreement

The proposed Third Amendment to Loan Agreement provides for a loan amount not to exceed $13,666,153 for predevelopment project costs, including site acquisition costs, architecture and design, engineering and environmental studies, entitlement and permit fees, relocation costs, and so on. The affiliated Third Amended and Restated Secured Promissory Note provides for the repayment of the principal amount of $11,487,367, with the variance being the amount of the original loan being forgiven due to the conveyance of 758 Pacific Avenue. The loan has zero to three percent basic interest, to be determined by the MOHCD Director before closing, with repayments based on half of residual receipts from the project. The loan matures on the later of 57 years after the recording of the deed of trust or 55 years after the conversion date.[1]

Residential Ground Lease

The proposed residential ground lease has a term of 75 years and gives the Developer one 24-year extension option, for a maximum term of 99 years. During the initial lease term, proposed base rent is $15,100 per year and increased by $5,000 every 15 years beginning January 1, 2042. Further, one half of residual receipts are payable to MOHCD after various liabilities and obligations are settled including full repayment of the MOHCD and the HCD Multifamily Housing Program loans. This is consistent with MOHCD's Residual Receipts policy, which defines "residual receipts" as net income after operating costs, debt service payments, ground lease base rent, and replenishing operating reserves. Annual rent during the extension period would be negotiated between the developer and the City and would have to be at least the annual rent of the initial lease term.

To conform with residential ground lease, the Developer must commence demolition, rehabilitation, or construction by February 2027, complete construction by October 2029, and achieve 95 percent occupancy of the units by May 30, 2030. A provision of the residential ground

[1] The conversion date is the date when construction financing is converted to permanent financing, which is anticipated to occur approximately one year after the project receives a temporary certificate of occupancy.

lease stipulates that all project financing must be in place by February 23, 2027 or there will be early termination of the lease due to failure to close financing.

Commercial Ground Lease

The proposed commercial ground lease provides for the CCDC New Asia Commercial LLC (Tenant) to pay the City annual base rent of $1 plus percentage rent for a term of 75 years, with one 24-year option to extend. The annual percentage rent would be based on 40% cash surplus from operations and payable only after MOHCD's commercial loan with an estimated principal balance of $7,698,440 is fully repaid. The commercial loan will fund build out of the commercial space and is expected to be executed as part of the gap financing loan documents in late Fall 2026.

The commercial space is currently projected to be comprised of 11,932 square feet on portions of the ground floor, mezzanine, and basement, which is 8.4% of the project's total 142,278 square feet.

The commercial ground lease would stipulate that the Tenant own, operate, and manage the commercial share of the 772 Pacific Avenue Senior project for non-residential public benefit, including, but not limited to, a restaurant, banquet hall or event space, grocery store, or other retail establishment that demonstrably serves the residential occupants of the 772 Pacific Avenue Senior Housing project. The project synopsis provided to the Loan Committee noted that the Tenant is interested in maintaining similar leasing arrangements with New Asia Restaurant, Inc., the current commercial tenant at 772 Pacific Avenue, which is registered as a Legacy Business. New Asia Market, LLC, has submitted a Letter of Intent to CCDC for a 15-year lease with four 5-year options to extend for a total term of 35 years and with proposed monthly lease payments of $10,901 beginning in year 1 and escalating to $22,006 in year 15 with cost-of-living adjustments up to 3% thereafter. The Letter of Intent also includes reimbursement of $500,000 payable to New Asia Market, LLC, from CCDC for tenant improvements.

Rent Forgiveness

As noted above, the current commercial space at 772 Pacific Avenue is occupied by New Asia Restaurant, Inc. pursuant to the terms of a 2002 lease agreement for the sole purpose of operating a restaurant that was assumed by the City in June 2017. While that lease agreement expired December 31, 2021, New Asia Restaurant, Inc. continued to operate on a month-to-month basis. However, the restaurant ceased operations in March 2020 due to the COVID-19 pandemic and received rent forgiveness from April 2020 through December 2020 from the City. Subsequently, New Asia Restaurant, Inc. proceeded to open at the same location as a grocery store in 2020, but did not seek a change in lease terms or apply for a change in use from City Planning. New Asia Restaurant also failed to resume rent payments after December 2020. MOHCD reports that the failure to comply with the terms of the agreement was not addressed by the City because of uncertainty surrounding the pandemic impacts on restaurant and banquet hall operations and the protracted time to obtain a Conditional Use Authorization to bring New Asia into legal compliance and negotiate the $5,000 monthly rent.

According to the proposed resolution, $5,000 was determined to be a reasonable monthly rent amount by the Director of Property as compared to the $22,500 monthly rent based on the terms of the original agreement. MOHCD reports that the $5,000 monthly rent was negotiated with

New Asia Restaurant, Inc. and is appropriate given the month-to-month occupancy that has been in place since January 2022 and the pending demolition of the building and redevelopment of the site. If retroactively applied to begin in January 2021 through July 2026, the rent forgiveness required to date, as proposed, would be $1,172,500. In order for the rent forgiveness to take effect, New Asia Restaurant, Inc. would be required to vacate the current site by September 30, 2026.

FISCAL IMPACT

Real Property Acquisition

An independent appraisal of the property assigned a value of $2,150,000 to 758 Pacific Avenue as of May 6, 2026, which is $28,786 less than the compensation being remitted to CCDC New Asia Housing, L.P. in the form of loan forgiveness. However, MOHCD notes that $2,178,786 is compensating CCDC for the initial land costs as well as closing costs. MOHCD does not anticipate any further closing costs with this transaction.

Loan Agreement

The proposed Third Amendment to Loan Agreement provides for a loan amount not to exceed $13,666,153, an increase of $3,847,903 for predevelopment costs.

Exhibit 2: Sources and Uses of Predevelopment Loan Amount

Sources	Amount
Federal HOME Funds	$6,498,422
2019 GO Bonds	3,000,000
Federal CDBG Funds	2,131,526
Housing Trust Fund	1,936,205
Donation	100,000
Total Sources	**$13,666,153**
Uses	
Acquisition	$2,178,786
Soft Costs	8,651,688
Hard Costs	2,285,679
Developer Fees	550,000
Total Uses	**$13,666,513**

Of these sources, City sources include the Housing Trust Fund and the 2019 GO Bonds and total $4,936,205. Through May 15, 2026, $7,167,731 had been disbursed, including $2,178,786 for the initial purchase of 758 Pacific Avenue, and approximately $91,284 in interest had been accrued.

Uses include $2.2 million for acquiring 758 Pacific, $2.3 million in hard costs for demolition and renovations, $3.3 million for design work, $1 million for tenant relocation, $4 million for other predevelopment activities, and $0.5 million for developer fees.

According to MOHCD, this loan will be refinanced into a permanent loan at gap financing in December 2026 and included in the total City subsidy for the project of $61,319,712, which is estimated to be $350,398 per unit. This amount is 20% more than the average City subsidy for MOHCD comparable projects of $290,273.

MOHCD anticipates that the permanent loan will materially maintain the same terms and conditions, including interest rate terms and residual receipt payment requirements as presented in the Third Amendment to Loan Agreement and Third Amended and Restated Secured Promissory Note. According to the 20-year cash flow analysis presented to the Loan Committee, residual receipts payments will begin in Year 1 and will total approximately $523,647 for the first twenty years of the repayment period.

POLICY CONSIDERATION

Commercial Ground Lease

An anticipated commercial loan of $7,698,440 would provide financing to construct a commercial space with a "cold shell" comprised of unfinished walls, ceiling, and flooring for $4.3 million; "warm shell" improvements consisting of the necessary infrastructure for gas service for $1.4 million; and $2.0 million for soft costs including a $275,000 developer fee. The proposed commercial ground lease stipulates that the Tenant is responsible for all subsequent Tenant improvements at no additional cost to the City. However, the Tenant has not identified sources of funding for the build-out of the commercial space.

As noted above, the Tenant has indicated an interest in subleasing the commercial space to New Asia Restaurant, Inc. The project synopsis presented to the Loan Committee reported that CCDC and its design team have worked with New Asia Restaurant, Inc. to develop banquet hall specifications. However, New Asia Restaurant Inc. is the tenant of the current commercial space at 772 Pacific Avenue that defaulted on its agreement with the City, conducted operations that were out of compliance with City Planning laws regarding change of use, and which is subject of the proposed rent forgiveness. Further, while New Asia Restaurant has been registered as a Legacy Business since 2019, that designation is contingent on continuous operations as a restaurant and not a grocery store. As noted in the staff report for the New Asia Restaurant's application for the program, a restaurant featuring Chinese cuisine is the "core physical feature or tradition" that defines the business that would be required for maintenance of the business on the Legacy Business Registry. As previously noted, the restaurant ceased operations in March 2020 and did not open as a restaurant after the end of the COVID-19 pandemic. In order to ensure best value for the proposed use of commercial space, the commercial ground lease should include provisions that require the Tenant to conduct a competitive process for sublease and occupancy of the commercial space. As the project synopsis reports, the Tenant "is well-positioned to find another operator with both dim sum and banquet hall experience."

Rent Forgiveness

While the proposed resolution would authorize rent forgiveness of $1,172,500 for New Asia Restaurant, Inc., the agreement required to effectuate the resolution has not been drafted. No lease amendment is included in the legislative file for the resolution. MOHCD reports that it has worked with the Office of the City Attorney and the Department of Real Estate and has determined that the most expeditious manner for effectuating the terms of the proposed resolution, given the expedited timeline, is to issue a letter directly to New Asia Restaurant, Inc. notifying them of the new terms. However, the resolution does not provide terms that would ensure the City's interests are protected if New Asia Restaurant, inc., were to default on the revised monthly rent of $5,000. New Asia Restaurant, Inc. would owe $345,000 for the entire term from January 2021 through September 2026. MOHCD reports that the City retains all remedies available pursuant to California law.

The proposed resolution also contains a provision that would allow New Asia Restaurant, Inc., to reduce this $345,000 obligation as part of a relocation benefit package. A part of the Developer's predevelopment loan from the City, $800,000, has been allocated to New Asia Restaurant, Inc. specifically for relocation. According to MOHCD, the $800,000 could be reduced by the $345,000 in rent owed if New Asia Restaurant, Inc. opts for this. However, the proposed resolution does not provide for CCDC to then remit the $345,000 to the City for the back rent to which it is entitled.

In all, New Asia Restaurant, Inc. will obtain financial benefits from the City totaling $1,972,500 for operating a grocery store out of compliance with City laws and agreements ($1.1 million for rent forgiveness and for $0.8 million relocation). However, MOHCD reports that the benefits may be even more pursuant to applicable relocation law.

Development Issues Identified by MOHCD

In the May 15, 2026 project synopsis presented to the Loan Committee, MOHCD identified five primary project development issues. These include:

- The $7.7 million estimated development cost for the commercial space is not a typical MOHCD project cost and is "higher than normal."
- Uncertainty in the tax credit market may ultimately impact the amount of the gap financing loan required of MOHCD.
- Delays in the move out of two current commercial tenants, including New Asia Restaurant, Inc., resulting from the failure to agree on replacement commercial space may delay the start of demolition.
- The Developer must obtain neighbor agreements to address certain construction impacts prior to project finance closing.
- Continuing risk of increased project costs as a result of the project being served by the Wholesales Distribution Tarriff system and PG&E's post construction cost reconciliation fees.

Additionally, as previously noted, project costs per unit are considerably higher than MOHCD's other projects. These issues will need to be specifically addressed by both MOHCD and the Developer prior to returning to the Board for approval of the total gap financing package of approximately $61.3 million to minimize fiscal impact to the City and mitigate project risks.

RECOMMENDATIONS

1. For File 26-0793, approve the resolution and request MOHCD and CCDC sublease the commercial space pursuant to a competitive procurement process and requiring a sublessee with a demonstrated good business relationship with the City.

2. For File 26-0794, amend the resolution to require MOHCD to remit to the Clerk of the Board the notice of the change in lease terms to the 772 Pacific tenant and include the document in the legislative file for File 26-0794.
3. Request MOHCD to report back to the Board of Supervisors by January 15, 2027 on MOHCD commercial tenants that are not paying rent or are otherwise not in compliance with lease terms and plans to bring them into compliance.

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

Robert Yick and Andy Ting as Trustees of Shew Yick Trust One, and Joseph Yick and Mark Shustoff, as Trustees of Robert Yick Trust Two, and as Trustees of Robert Yick Non-Exempt Assets Trust,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

772 Pacific Avenue (Block/Lot 0161/015)
San Francisco, California

March 23, 2017

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LIST OF EXHIBITS

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(772 Pacific Avenue, San Francisco)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of March 23, 2017 is by and between Robert Yick and Andy Ting as Trustees of Shew Yick Trust One, and Joseph Yick and Mark Shustoff, as Trustees of Robert Yick Trust Two and as Trustees of Robert Yick Non-Exempt Assets Trust ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

BOTH PARTIES ACKNOWLEDGE THE EXCHANGE OF SUFFICIENT CONSIDERATION by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately Nine Thousand Two Hundred and Nineteen (9,219) square feet of land, located in the City and County of San Francisco, commonly known as 772 Pacific Avenue (Block/Lot 0161/015) and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land, including, without limitation, (i) that certain one-story commercial restaurant building containing approximately Thirteen Thousand Two Hundred and Seventy One (13,271) square feet of net rentable area and known as 772 Pacific Avenue , as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances owned by Seller used in connection with the operation or occupancy of the Land and its improvements and together with all on-site parking (currently, zero parking spaces) (collectively, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

(d) There is no personal property related to this sale. There is a lease in place which expires December 31, 2021 and the City is buying the Property subject to that lease (the "Lease"). The tenant under the lease owns all fixtures, furnishing and equipment ("FFEs") pursuant to the lease.

All of the items referred to in Subsections (a), (b), (c), above are collectively referred to as the "Property."

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2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is FIVE MILLION Dollars ($5,000,000) (the "Purchase Price").

2.2 Payment

On the Closing Date (as defined in Section 6.2), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(h) and 6.3(i) [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

2.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds to Title Company (as defined below), as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its nominee, marketable and insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit B (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 3.2 [Title Insurance]).

3.2 Title Insurance

Title Co.
Stewart Title Guaranty Co.

Delivery of title in accordance with the preceding Section shall be evidenced by the commitment of ~~Chicago Title Insurance Company~~ (the "Title Company") to issue to City an CLTA owner's form coverage policy of title insurance (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants (except for the tenants under the Lease provided by Seller and approved by City, provided such exception is limited to the interest of such tenants as tenants only without any rights or options to purchase any of the Property), and all other exceptions, liens and encumbrances except solely for the Accepted Conditions of Title pursuant to Section 5.1(a) below.

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3.3 INTENTIONALLY OMITTED

3.4 Assignment of Lease

At the Closing Seller shall transfer its title to the Lease by an assignment of Lease in the form attached hereto as Exhibit D` (the "Assignment of Lease"), such title to be free of any liens, encumbrances or interests, except for the Accepted Conditions of Title.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence and Time for Satisfaction of Conditions

City has been given or will be given before the end of the Due Diligence Period (as defined below), a full opportunity to investigate the Property, either independently or through agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deems fit, as well as the suitability of the Property for City's intended uses. City and its Agents may commence due diligence investigations on the Property on or after the date this Agreement is executed by both parties hereto. The period for completion of all such investigations shall expire on The Twenty First day following complete execution of this Agreement (the "Due Diligence Period"), subject to the terms and conditions provided hereinbelow. Seller agrees to deliver to City all of the Documents and other items described in Sections 5.1(d), 5.1(e) and 5.1(f) within Five (5) days after the date hereof, provided that if Seller fails to do so, then the expiration of the Due Diligence Period shall be extended by the number of days after the end of such 5-day delivery period that Seller delivers all such items to City.

Notwithstanding anything in this Agreement to the contrary, City shall have the right to terminate this Agreement at any time during the Due Diligence Period upon written notice to Seller. Upon such termination, neither City nor Seller shall have any further rights or obligations hereunder, except as otherwise expressly provided herein and further except that City shall assign to Seller all inspection reports covered under this Section to the extent they are assignable and to the extent Seller has reimbursed City for all of the fees and expenses associated with the completion of all such inspection reports except that City will provide the Phase II environmental report to Seller without charge or reimbursement. This Section is subject to, and shall not serve to modify or limit, any right or remedy of City arising under Section 5.1 [City's Conditions to Closing] of this Agreement.].

5. ENTRY

During the Due Diligence Period and at all times prior to the Closing Date Seller shall afford City and its Agents reasonable access to the Property for the purposes of satisfying City

with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the Conditions Precedent including, without limitation, the drilling of test wells and the taking of soil borings. City hereby agrees to indemnify and hold Seller harmless from any damage or injury to persons or property caused by any act or omission of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. The foregoing Indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the Property, including the Improvements. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This

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indemnity shall survive the termination of this Agreement or the Closing, as applicable, provided that Seller must give notice of any claim it may have against City under such indemnity (i) within six (6) months of such termination if the claim is brought by a third party against Seller or (ii) within three (3) months of such termination or the Closing Date, as applicable, if the claim involves damage to Seller's Property or any other claim not brought by a third party against the Seller.

5.1 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "Conditions Precedent"):

(a) City shall have reviewed and approved title to the Property, as follows:

(i) Within ten (10) days after the date City and Seller execute this Agreement, City shall obtain a current extended coverage preliminary report on the Real Property, issued by Title Company, accompanied by copies of all documents referred to in the report (collectively, the "Preliminary Report");

(ii) Within the period referred to in clause (i) above, Seller shall deliver to Buyer copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Seller knows of no such documents, a written certification of Seller to that effect; and

(iii) City may at its option arrange for an "as-built" survey of the Real Property and Improvements prepared by a licensed surveyor (the "Survey"). Such survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for and the Title Policy without boundary, encroachment or survey exceptions.

City shall advise Seller, prior to the date ten (10) days after complete execution of this Agreement, what exceptions to title, if any, City is willing to accept (the "Accepted Conditions of Title"). City's failure to so advise Seller within such period shall be deemed approval of title. Seller shall have ten (10) days after receipt of City's notice of any objections to title to give City: **(A)** evidence satisfactory to City of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or **(B)** notice that Seller elects not to cause such exceptions to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. If City shall fail to give Seller notice of its election within such ten (10) days, City shall be deemed to have elected to proceed with this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City shall have the rights and remedies provided herein or at law or in equity.

(b) City represents, warrants and acknowledges that City will be concluding the purchase of the Property based solely upon City's inspection and investigation of the Property and all documents and facts related thereto, and that City will be purchasing the Property in an "AS-IS" condition, with all faults. Except to the extent specifically provided to the contrary in this Agreement, and without in any way limiting the foregoing, City acknowledges and agrees that: (i) Seller has not made any representations or warranties on which

City is relying as to any matters concerning the Property including, without limitation, (A) the quality, nature, adequacy and/or physical condition of the Property, including soils, geology and any groundwater, (B) the existence, quality, nature, adequacy and/or physical condition of utilities serving the Property, (C) the development potential of the Property, and the Property's use, merchantability, or fitness, suitability, value or adequacy of the Property for any particular purpose, (D) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property, (E) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (F) the presence of Hazardous Materials on, under or about the Property or the adjoining or neighboring property, (G) the condition of title to the Property, and (H) the economics of the operation of the Property; (ii) City shall bear and assume the risk that its experience with, and its investigations and inspections of, the Property may not have revealed adverse or undesirable physical or other conditions (including, without limitation, environmental matters, subsurface conditions or development limitations) or other matters affecting the Property, or any portion or component thereof, or its value, utility or develop ability; and (iii) City explicitly has taken into account and assumes such risk of unknown, and/or undiscovered adverse conditions in making its decision to purchase the Property on the terms set forth herein, such as the age and condition of the Property and the possibility the Property may have asbestos and asbestos-containing materials, and lead-based paint.

City's review and approval, within the Due Diligence Period, of the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Section 8.1(j)

If any of City's investigations reveal any contamination of the Property with any Hazardous Material, then City may, at its sole election, by written notice to Seller on or before the end of the Due Diligence Period: (i) request that Seller, at Seller's sole cost, complete before the Closing through duly licensed contractors such activities as are necessary to cleanup, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Material located on or under the Property in compliance with all governmental laws, rules, regulations and requirements and in accordance with a written remediation plan approved by City in its sole discretion and by all regulatory agencies with jurisdiction; or (ii) terminate this Agreement. If City notifies Seller of its election to request that Seller remediate the contamination as provided in clause (i) above, Seller shall have fifteen (15) days after receipt of City's notice, to elect, at Seller's sole option, to provide City with: (iii) Seller's election to remediate the contamination before the Closing pursuant to clause (i) above; or (iv) Seller's election to terminate this Agreement. Seller's failure to provide notice to Buyer within such fifteen (15)-day period shall be deemed notice of election to remediate under clause (iv) above. If Seller chooses to remediate the contamination as provided in clause (iii) above the Closing may be extended for a reasonable time to enable Seller to complete such remediation, provided any such extension shall be subject to City's and Seller's prior written approval, which either party may give or withhold in its sole discretion.

(c) City's review and approval, within the Due Diligence Period, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval, within the Due Diligence Period, of (i) the following documents, all to the extent such documents exist and are either in the possession or control of Seller or may be obtained by Seller through the exercise of commercially reasonable efforts: structural calculations for the Improvements; site plans; certified copies of the as-built plans and specifications for the Improvements; recent inspection reports by Seller's engineers; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; presently effective warranties or guaranties received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repair or alteration of the Improvements or any tenant improvements; insurance policies, insurance certificates of tenants, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, the "Documents"); and **(ii)** such other information relating to the Property that is specifically requested by City of Seller in writing during the Due Diligence Period (collectively, the "Other Information").

(e) City's review and approval, within the Due Diligence Period, of: (i) the Lease and other occupancy agreements, (ii) tenant correspondence files, and (iii) a current rent roll for the Property, prepared by Seller and listing for the single tenant the name, location of leased premises, rent, obligation for reimbursement of expenses, amount of security deposit and rent paid more than thirty (30) days in advance, lease commencement date, lease termination date, lease expansion or extension options, option rent, and cost of living or other rent escalation clauses, any free rent, operating expense abatements or other unexpired concessions, and a description of any uncured defaults.

(f) Seller's obtaining and delivering to City, before the Closing Date, tenant estoppel certificates in form and substance satisfactory to City from any and all tenants occupying any portion of the Property. Such certificates shall be substantially in the form attached hereto as <u>Exhibit E</u> and shall be dated no earlier than thirty (30) days prior to the Closing Date. Notwithstanding the foregoing, to the extent Seller is unable, despite its best efforts, to obtain an estoppel certificates from the tenant Seller may, but shall not be obligated to, warrant and represent to City, with respect to such missing estoppel certificates, as of the date represented and warranted: (A) that the Lease for that tenant is in full force and effect; (B) the amount of the tenant's security deposits; (C) the dates through which rent has been paid; and (D) that neither that tenant nor Seller is in default under the Lease. City shall be obligated to accept such a certification in lieu of any such missing estoppel certificates. The representations and warranties in the certificate of Seller shall survive the Closing.

(g) Seller shall not be in default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in <u>Section 8.1</u> [Representations and Warranties of Seller] below are true and correct as of the Closing Date.

(h) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of <u>Section 9.1</u> [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(i) Title Company shall be committed at the Closing to issue to City, or its nominee, (i) the Title Policy as provided in Section 3.2 [Title Insurance]

(j) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions.

The Conditions Precedent contained in the foregoing Subsections (a) through (j) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. If City shall not have approved or waived in writing all of the Conditions Precedent in items (a) through (j) by the end of the Due Diligence Period, then City shall be deemed to have approved all Conditions Precedent. In addition, the Closing Date may be extended, at City's and Seller's agreement, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

The following provisions apply except for a good faith exercise by either party of a contractual contingency or a statutory right to terminate which can be done unilaterally by notice. Termination of this Contract by Seller shall be effected only after delivery of a Notice to Perform to City which provides at least 2 days to perform contractual terms or remove contingencies. In the event that City does not perform as noticed, Seller may terminate this Contract. Termination of this contract due to Seller's failure to perform contractual terms or remove contingencies, including Seller's failure to provide documents or reports mandated by this Contract or otherwise required by law, or Seller's failure to remove a Seller contingency, shall be effected only after delivery of a Notice to Perform to Seller which provides at least 2 days to perform as noticed. In the event that Seller does not perform as noticed, City may terminate this Contract. Either party may issue a Notice to Perform no sooner than 2 days prior to the contractual deadline. The obligation to close escrow as provided is a contractual term requiring a Notice to Perform. Release of funds (if any) from escrow will require mutually consistent signed instructions from both City and Seller, or the rendering of a judicial decision or arbitration award authorizing the release.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) terminate this Agreement by delivery of notice of termination to Seller,whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property, and neither party shall have any further rights or obligations hereunder or (2) continue this Agreement pending City's action for specific performance and/or damages hereunder, including, without limitation, City's costs and expenses incurred hereunder.

5.2 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

5.3 Seller Right to Terminate

If the Closing does not occur on the Closing Date, due to breach by or failure of timely performance by City, Seller may terminate this Agreement by written notice to City. Seller may thereupon enforce any or all of its rights under this Agreement. City shall pay to Seller any title, escrow, legal and inspection fees incurred by Seller, and any other expenses incurred by Seller in connection with the performance of its due diligence review of the Property.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Effective Date (as defined in Article 11 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date

* The consummation of the purchase and sale contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of ~~Title Company located at 455 Market Street, Suite 2100, San Francisco, California, o~~n May 8, 2017, or on such earlier date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver to City through escrow, the following:

(a) a duly executed and acknowledged Deed;

(b) four (4) duly executed counterparts of the Assignment of Lease;

Stewart Title Guaranty Company
100 Pine St., Ste 450
San Francisco, CA 94111

(c) duly executed tenant estoppel certificates as required pursuant to Section 5.1(g) hereof;

(d) to the extent in Seller's possession originals or otherwise copies of the Documents, the Lease, and any other items relating to the ownership or operation of the Property not previously delivered to City;

(e) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit F, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;

(f) a properly executed California Franchise Tax Board Form ~~590~~ 593 C certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;

(g) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;

(h) closing statement in form and content satisfactory to City and Seller; and

(i) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 5.1 hereof.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City shall deliver to Seller through escrow the following:

(a) an acceptance of the Deed executed by City's Director of Property;

(b) four (4) duly executed counterparts of the Assignment of Lease;

(c) a closing statement in form and content satisfactory to City and Seller; and

(d) the Purchase Price, as provided in Article 2 hereof.

6.5 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof, including, without limitation, an agreement (the "Designation Agreement") designating Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder, and executed by Seller, City and Title Company. The Designation

Agreement shall be substantially in the form attached hereto as Exhibit G and, in any event, shall comply with the requirements of Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder.

6.6 INTENTIONALLY OMITTED

7. EXPENSES AND TAXES

7.1 Rent and Other Apportionments

The following are to be apportioned through escrow as of the Closing Date:

(a) Rent

Rent under the Lease shall be apportioned as of the Closing Date, regardless of whether or not such rent has been paid to Seller. With respect to any rent arrearage arising under the Lease, after the Closing, City shall pay to Seller any rent actually collected which is applicable to the period preceding the Closing Date; provided, however, that all rent collected by City shall be applied first to all unpaid rent accruing on and after the Closing Date, and then to unpaid rent accruing prior to the Closing Date. City shall not be obligated to take any steps to recover any rent arrearage, and Seller shall not be permitted to do so. This section in no way limits Seller's right or ability to enforce and collect any rent arrearage due as of the Closing Date, including if extended.

(b) Leasing Costs

Seller shall pay all leasing commissions and tenant improvement costs accrued in connection with any Lease executed on or before the Closing (including, without limitation, leasing commissions attributable to expansion or extension options which are not exercised until after the Closing). City shall be entitled to a credit against the Purchase Price for the total sum of all security deposits paid to Seller by tenants under the Lease, and any interest earned thereon, as well as for any free rent, operating expense abatements, or other unexpired concessions under the Lease to the extent they apply to any period after the Closing.

(c) Other Tenant Charges

Where the Leases contain tenant obligations for taxes, common area expenses, operating expenses or additional charges of any other nature, and where Seller shall have collected any portion thereof in excess of amounts owed by Seller for such items for the period prior to the Closing Date, there shall be an adjustment and credit given to City on the Closing Date for such excess amounts collected. City shall apply all such excess amounts to the charges owed by City for such items for the period after the Closing Date and, if required by the Lease, shall rebate or credit tenants with any remainder. If it is determined that the amount collected during Seller's ownership period exceeded expenses incurred during the same period by more than the amount previously credited to City at Closing, then Seller shall promptly pay the deficiency to City.

(d) Utility Charges

Seller shall cause all the utility meters to be read on the Closing Date, and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(e) **Other Apportionments**

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2 Closing Costs

City shall pay the cost of the Survey, the premium for the Title Policy and the cost of the endorsements thereto, and escrow and recording fees. There are no transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date. At or before the Closing, Seller shall pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date.

7.4 Preliminary Closing Adjustment

Seller and City shall jointly prepare a preliminary Closing adjustment on the basis of the Lease and other sources of income and expenses, and shall deliver such computation to Title Company prior to Closing.

7.5 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.6 Survival

The provisions of this Section shall survive the Closing.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows:

(a) To the best of Seller's knowledge, there are now, and at the time of the Closing will be, no material physical or mechanical defects of the Property, and no violations of any laws, rules or regulations applicable to the Property, including,

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I:\Work\SLevin\772 Pacific\17-0323 FINAL PSA 772Pacific.doc without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) The Lease, Assumed Contracts, Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property to the extent available to Seller, and are and at the time of Closing will be true, correct and complete copies of such documents [and the Lease and Assumed Contracts are and at the time of Closing will be in full force and effect, without default by (or notice of default to) any party].

(c) No document or instrument furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(d) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(e) To Seller's knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or by the normal use and operation of the Property are and at the time of Closing will be installed to the property lines of the Property and are and at the time of Closing will be adequate to service the Property.

(f) There are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property. There are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) There is no litigation pending or, after due and diligent inquiry, to the best of Seller's knowledge, threatened, against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement, other than as previously disclosed in writing by Seller to City.

(h) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(i) Seller are the duly acting Trustees of Trusts validly existing under the laws of the State of California; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(k) Seller knows of no facts nor has Seller failed to disclose any fact that would prevent City from using and operating the Property after Closing in the normal manner in which it is intended.

(l) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct as of the Closing Date: (i) neither the Property nor to the best of Seller's knowledge any real estate in the vicinity of the Property is in violation of any Environmental Laws; (ii) the Property is not now, nor to the best of Seller's knowledge has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property, their location, type, age and content has been specifically identified in Seller's Environmental Disclosure; (v) the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof; natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(m) At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. There are no obligations in connection with the Property which will be binding upon City after Closing except for matters which are set forth in the Preliminary Report and except for the Lease.

(n) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

(o) There are no free rent, operating expense abatements, incomplete tenant improvements, rebates, allowances, or other unexpired concessions (collectively referred to as "Offsets") or any termination, extension, cancellation or expansion rights under the Lease (with the exception of those summarized in Schedule 2 attached hereto); and all of the Lease are absolutely net (including the full pass-through of management fees), except for replacement of major capital items, such as roof, foundation and structural components. Seller has paid in full any of landlord's leasing costs incurred by Seller in connection with any tenant improvements.

(p) No brokerage or similar fee is due or unpaid by Seller with respect to any Lease. No brokerage or similar fee shall be due or payable on account of the exercise of, without limitation, any renewal, extension or expansion options arising under the Lease.

(q) The copies of the Lease delivered by Seller to City on or before the commencement of the Due Diligence Period contain all of the information pertaining to any rights of any parties to occupy the Property, including, without limitation, all information regarding any rent concessions, over-standard tenant improvement allowances or other inducements to lease. None of the tenants of the Property has indicated to Seller either orally or in writing its intent to terminate its respective Lease prior to expiration of the respective term of such Lease.

8.2 Indemnity

Seller on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. . The indemnification provisions of this Section shall survive beyond the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement. Seller does not agree to indemnify City, and shall not be

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obligated to indemnify, reimburse or defend City, for any claim, cost or expense related to the underground storage tank previously disclosed in writing by Seller to City, nor to any soil contamination, remediation or damage.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, or if condemnation proceedings are commenced against any of the Property, then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount thereunder, and the insurer agrees to timely pay for the entire cost of such repair, and such damage or destruction would cost less than Two Hundred and Fifty Thousand Dollars ($250,000) (the "Threshold Damage Amount") to repair or restore, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City.

(b) If such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than the Threshold Damage Amount to repair or restore, then the transaction contemplated by this Agreement shall be consummated with City receiving a credit against the Purchase Price at the Closing in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction.

(c) If the cost of such damage or destruction would equal or exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any of the Property, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property damaged or destroyed or subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not damaged or affected by condemnation, as the case may be). City shall have ten (10) days after Seller notifies City that an event described in this Subsection (c) has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such ten (10)-day period shall not be deemed City's election to terminate this Agreement. If this Agreement is terminated in its entirety or in part pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination. If City elects not to terminate this Agreement, Seller shall notify City of Seller's intention to repair such damage or destruction, in which case this Agreement shall remain in full force and effect, or notify City of Seller's intention to give City a credit against the Purchase Price at the Closing in the amount reasonably determined by City and Seller (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction and, in the event of a result of such condemnation proceeding, the value of any Property taken as a result of such proceeding, in which case this Agreement shall otherwise remain in full force and effect, and Seller shall be entitled to any proceeds of insurance or condemnation awards. Any repairs elected to be made by Seller pursuant to this Subsection shall be made within one hundred eighty (180) days following such damage or destruction and the Closing shall be extended until the repairs are substantially completed. As used in this Section, the cost to repair or restore shall include the cost of lost rental revenue, including additional rent and base rent.

9.2 Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full replacement value of the Improvements, insuring against all insurable risks, including, without limitation, fire, vandalism, malicious mischief, lightning, windstorm, water, and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City. Seller does not and will not maintain earthquake insurance.

9.3 Possession

Possession of the Property shall be delivered to City on the Closing Date.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any Lease, and shall make all repairs, maintenance and replacements of the Improvements and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the Effective Date, Seller shall not enter into any Lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, or waive any rights of Seller under any Lease or Assumed Contract, without in each instance obtaining City's prior written consent thereto., which consent in the case of any Lease shall include approval of the financial condition of the proposed tenant, the configuration of the space to be leased, and the terms of such Lease or contract. City agrees that it shall not unreasonably withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

11. GENERAL PROVISIONS

11.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 772 Pacific Ave
Facsimile No.: (415) 552-9216

with copy to:

____
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: [772 Pacific Ave]
Facsimile No.: (415) _______

Seller:

Robert Yick and Andy Ting, Trustees
c/o Daniel Conrad
1550 Bryant Street, Suite 760
San Francisco, CA 94103
Facsimile No.: (415) 359-0073

Joseph Yick and Mark Shustoff, Trustees
c/o Edward Koplowitz
MacInnis Donner & Koplowitz
465 California Street, Suite 222
San Francisco, CA 94104
Facsimile No.: (415)433-1917]

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

11.2 Brokers and Finders

Seller has a written agreement with two (2) licensed real estate brokers. Seller will pay its brokers out of Seller's proceeds. City is not responsible to pay any commission or compensation to Seller's brokers. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

11.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

11.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings including, without limitation, the Proposal to Purchase letter dated January 12, 2017 between the parties hereto. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation

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of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.10 Attorneys' Fees

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney 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 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. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

11.11 Sunshine Ordinance

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

11.12 Conflicts of Interest

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify the City.

11.13 Notification of Limitations on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each Seller; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the names of each person, entity or committee described above.

11.14 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement. Seller, being four (4) trustees, shall have no personal liability, but liability solely in their trustee capacities.

11.15 INTENTIONALLY OMITTED

11.16 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.17 Effective Date

As used herein, the term "Effective Date" shall mean the date on which the City's Board of Supervisors and Mayor enact a resolution or an ordinance approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

11.18 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

11.19 Agreement Not to Market Prior to Effective Date

Seller agrees that unless and until this Agreement is terminated pursuant to its terms, or after the Closing Date, and any agreed upon extensions, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

11.20 Acceptance of Agreement by Seller

This Agreement shall be null and void unless Seller accepts it and returns to City four (4) fully executed counterparts hereof on or before 5:00 p.m. San Francisco Time on __________, 20___.

11.21 Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGES]

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:

Shew Yick Trust One

By: ______________________________
Its: Trustee ROBERT C. YICK

By: ______________________________
Its: Trustee ______________________

Robert Yick Trust Two

By: ______________________________
Its: Trustee ______________________

By: ______________________________
Its: Trustee ______________________

Robert Yick Non-Exempt Assets Trust

By: ______________________________
Its: Trustee ______________________

By: ______________________________
Its: Trustee ______________________

Date: ______________________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ______________________________
JOHN UPDIKE
Director of Property

Date: ______________________________

SELLER:

Shew Yick Trust One

By: ______________________
Its: Trustee ______________________

By: 3/27/17
Its: Trustee ANDY TING

Robert Yick Trust Two

By: ______________________
Its: Trustee ______________________

By: ______________________
Its: Trustee ______________________

Robert Yick Non-Exempt Assets Trust

By: ______________________
Its: Trustee ______________________

By: ______________________
Its: Trustee ______________________

Date: ______________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ______________________
JOHN UPDIKE
Director of Property

Date: ______________________

SELLER:

Shew Yick Trust One

By: ____________________
Its: Trustee____________________

By: ____________________
Its: Trustee____________________

Robert Yick Trust Two

By: ____________________
Its: Trustee Joseph Yick

By: ____________________
Its: Trustee____________________

Robert Yick Non-Exempt Assets Trust

By: ____________________
Its: Trustee Joseph Yick

By: ____________________
Its: Trustee____________________

Date: ____________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ____________________
JOHN UPDIKE
Director of Property

Date: ____________________

SELLER:

Shew Yick Trust One

By: ______________________
Its: Trustee ______________________

By: ______________________
Its: Trustee ______________________

Robert Yick Trust Two

By: ______________________
Its: Trustee ______________________

By: ______________________
Its: Trustee Mark A. Shustoff

Robert Yick Non-Exempt Assets Trust

By: ______________________
Its: Trustee ______________________

By: ______________________
Its: Trustee Mark A. Shustoff

Date: ______________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ______________________
JOHN UPDIKE
Director of Property

Date: ______________________

SELLER:

Shew Yick Trust One

By: ____________________
Its: Trustee____________________

By: ____________________
Its: Trustee____________________

Robert Yick Trust Two

By: ____________________
Its: Trustee____________________

By: ____________________
Its: Trustee____________________

Robert Yick Non-Exempt Assets Trust

By: ____________________
Its: Trustee____________________

By: ____________________
Its: Trustee____________________

Date: ____________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ____________________
JOHN UPDIKE
Director of Property

Date: 3/27/17

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APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: [signature]
Heidi J. Gewertz
Deputy City Attorney

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement and to execute the Designation Agreement (attached hereto as Exhibit G) and act as the Reporting Person (as such term is defined in the Designation Agreement). Title Company's failure to execute below shall not invalidate the Agreement between City and Seller.

TITLE COMPANY:

Chicago ~~TITLE INSURANCE COMPANY~~
Stewart Title Guaranty Company

By: [signature]
Its: Commercial Escrow Officer

Date: 4/3/17

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

Commencing at a point on the Northerly line of Pacific Avenue, distant thereon 68 feet Easterly from the Easterly line of Stockton Street; running thence Easterly and along said line of Pacific Avenue 69 feet 5-1/2 inches; thence at a right angle Northerly 117 feet 6 inches; thence at a right angle Westerly 15 feet 8-1/2 inches; thence at a right angle Northerly 20 feet; thence at a right angle Westerly 53 feet; thence at a right angle Southerly 28 feet 9 inches; thence at a right angle Westerly 9 inches; thence at a right angle Southerly 108 feet 9 inches to the point of commencement.

Being a part of 50 Vara Lot No. 89.

Assessor's Lot 015 Block 0161

(End of Legal Description)

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Assessor's Parcel No. __________)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, ____________________, a ____________________, hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property , including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _______________, 20___.

______________________________, a ______________________________

______________________________, By: ______________________________
NAME

Its: ______________________________

______________________________, By: ______________________________
NAME

Its: ______________________________

State of California)
) ss
County of San Francisco)

On _______________, before me, ___________________________, a notary public in and for said State, 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 _________________________ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: ____________________

By: ______________________________
John Updike
Director of Property

EXHIBIT C

ASSIGNMENT OF
WARRANTIES AND GUARANTIES
AND OTHER INTANGIBLE PROPERTY

THIS ASSIGNMENT is made and entered into as of this ___ day of ____________, 20___, by and between ____, a ______________________________ ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

A. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, "Warranties");

B. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of ________________, 20___, between Assignor and Assignee (or Assignee's predecessor in interest) (the "Purchase Agreement").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

2. Except as otherwise set forth in the Purchase Agreement, effective as of the Effective Date (as defined below), Assignee hereby assumes all of the owner's obligations under the Service Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

6. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

7. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

ASSIGNOR:

a ______________________________

By: ______________________________
[NAME]

Its: ______________________________

By: ______________________________
[NAME]

Its: ______________________________

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ______________________________
John Updike
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: ______________________________
Heidi J. Gewertz
Deputy City Attorney

EXHIBIT D

ASSIGNMENT OF LEASE

THIS ASSIGNMENT is made and entered into as of this ___ day of ____________, 20___, by and between ______________________________, a ____________________ ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under certain Lease executed with respect to that certain real property commonly known as ______________________________ (the "Property") as more fully described in Schedule 1 attached hereto (collectively, the "Lease").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that as of the date of this Assignment and the Effective Date the attached Schedule 1 includes all of the Lease and occupancy agreements affecting any of the Property. As of the date hereof and the Effective Date, there are no assignments of or agreements to assign the Lease to any other party.

2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the landlord's obligations under the Lease.

3. Except as otherwise set forth in the Purchase Agreement (as defined below), effective as of the Effective Date (as defined below), Assignee hereby assumes all of the landlord's obligations under the Lease and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the landlord's obligations under the Lease.

4. Any rental and other payments under the Lease shall be prorated between the parties as provided in the Purchase Agreement between Assignor, as Seller, and Assignee, as City, dated as of ______________________ (the "Purchase Agreement").

5. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

7. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

9. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

a ______________________________

By: ______________________________
[NAME]

Its: ______________________________

By: ______________________________
[NAME]

Its: ______________________________

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: ______________________________
JOHN UPDIKE
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: ______________________________
Heidi J. Gewertz
Deputy City Attorney

EXHIBIT E

TENANT'S ESTOPPEL CERTIFICATE

DATE:____________________

TENANT:	________________________________
	________________________________
	________________________________
PREMISES:	________________________________
	________________________________
	________________________________
LEASE DATE:	________________________________
COMMENCEMENT DATE:	________________________________
EXPIRATION DATE:	________________________________
TERM IN MONTHS:	________________________________
DATE RENT AND OPERATING EXPENSE PARKING:	________________________________
PAYMENTS ARE DUE:	________________________________
OPTIONS: Check if you have any of these options or rights, and provide details in Sections 5 or 9 below.	______Extension Option
	______Termination Option
	______Expansion Option
	______Purchase Option
CURRENT MONTHLY PAYMENTS:	________________________________
BASE RENTAL:	________________________________
TAXES:	________________________________
OP. EXP. CAP:	________________________________

______Check here if you have rental escalations and provide details in Section 6 below:

SECURITY DEPOSIT: ________________________________

THE UNDERSIGNED, AS TENANT OF THE ABOVE REFERENCED PREMISES ("PREMISES") UNDER THE LEASE DATED AS OF THE ABOVE-REFERENCED LEASE DATE, BETWEEN ____ ("LANDLORD") AND TENANT, HEREBY CERTIFIES, REPRESENTS AND WARRANTS

TO THE CITY AND COUNTY OF SAN FRANCISCO ("CITY"), AND ITS ASSIGNEES, AS FOLLOWS:

1. Accuracy. All of the information specified above and elsewhere in this Certificate is accurate as of the date hereof.

2. Lease. The copy of the Lease attached hereto as Exhibit A is a true and correct copy of the Lease. The Lease is valid and in full force and effect. The Lease contains all of the understandings and agreements between Landlord and Tenant and has not been amended, supplemented or changed by letter agreement or otherwise, except as follows (if none, indicate so by writing "NONE" below):

3. Premises. The Premises consist of ______________________________, and Tenant does not have any options to expand the Premises except as follows (if none, indicate so by writing "NONE" below):

4. Acceptance of Premises. Tenant has accepted possession of the Premises and is currently occupying the Premises. There are no unreimbursed expenses due Tenant including, but not limited to, capital expense reimbursements.

5. Lease Term. The term of the Lease commenced and will expire on the dates specified above, subject to the following options to renew or rights to terminate the Lease (if none, indicate so by writing "NONE" below):

6. Rental Escalations. The current monthly base rental specified above is subject to the following escalation adjustments (if none, indicate so by writing "NONE" below):

7. No Defaults/Claims. Neither Tenant nor Landlord under the Lease is in default under any terms of the Lease nor has any event occurred which with the passage of time (after notice, if any, required under the Lease) would become an event of default under the Lease. Tenant has no claims, counterclaims, defenses or setoffs against Landlord arising from the Lease, nor is Tenant entitled to any concession, rebate, allowance or free rent for any period after this certification. Tenant has no complaints or disputes with Landlord regarding the overall operation and maintenance of the property within which the Premises are located (the "Property"), or otherwise.

8. No Advance Payments. No rent has been paid in advance by Tenant except for the current month's rent.

9. No Purchase Rights. Tenant has no option to purchase, or right of first refusal to purchase, the Premises, the Property or any interest therein (if none, indicate so by writing "NONE" below):

10. Notification by Tenant. From the date of this Certificate and continuing until, Tenant agrees to notify City immediately of the occurrence of any event or the discovery of any fact that would make any representation contained in this Certificate inaccurate as of the date hereof or as of any future date.

11. No Sublease/Assignment. Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises.

12. No Notice. Tenant has not received notice of any assignment, hypothecation, mortgage, or pledge of Landlord's interest in the Lease or the rents or other payments payable thereunder, except those listed below (if none, indicate so by writing "NONE" below):

13. Hazardous Materials. Tenant has not used, treated, stored, disposed of or released any Hazardous Materials on or about the Premises or the Property. Tenant does not have any permits, registrations or identification numbers issued by the United States Environmental Protection Agency or by any state, county, municipal or administrative agencies with respect to its operation on the Premises, except for any stated below, and except as stated below no such governmental permits, registrations or identification numbers are required with respect to Tenant's operations on the Premises. For the purposes hereof, the term "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

14. Reliance. Tenant recognizes and acknowledges it is making these representations to City with the intent that City, and any of its assigns, will fully rely on Tenant's representations.

15. Binding. The provisions hereof shall be binding upon and inure to the benefit of the successors, assigns, personal representatives and heirs of Tenant and City.

16. Due Execution and Authorization. The undersigned, and the person(s) executing this Certificate on behalf of the undersigned, represent and warrant that they are duly authorized to execute this Certificate on behalf of Tenant and to bind Tenant hereto.

EXECUTED BY TENANT ON THE DATE FIRST WRITTEN ABOVE.

By:

____
[NAME]

____
[TITLE]

By:

____
[NAME]

____
[TITLE]

EXHIBIT F

CERTIFICATE OF TRANSFEROR OTHER THAN AN INDIVIDUAL (FIRPTA Affidavit)

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by ______________________ ______________________, a ______________________ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number is ______________; and

3. Transferor's office address is ______________________ ______________________.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: ________________, 20___.

On behalf of:

______________________________,
[NAME]

a ______________________________.

By: ______________________________
[NAME]

Its: ______________________________

EXHIBIT G

DESIGNATION AGREEMENT

This DESIGNATION AGREEMENT (the "Agreement") dated as of ______________, 20___, is by and between ________________________________, a ____________________ ("Seller"), the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), and _Chicago TITLE INSURANCE COMPANY ("Title Company").

A. Pursuant to that certain Purchase Agreement entered into by and between Seller and City, dated ______________, 20___ (the "Purchase Agreement"), Seller has agreed to sell to City, and City has agreed to purchase from Seller, certain real property located in City and County of San Francisco, California, more particularly described in Exhibit A attached hereto (the "Property"). The purchase and sale of the Property is sometimes hereinbelow referred to below as the "Transaction").

B. Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction.

C. Pursuant to Subsection 2(b)(i) of the Purchase Agreement, an escrow has been opened with Title Company, Escrow No. ______________, through which the Transaction will be or is being accomplished. Title Company is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements).

D. Seller, City and Title Company desire to designate Title Company as the "Reporting Person" (as defined in the "Reporting Requirements") with respect to the Transactions.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller, City and Title Company agree as follows:

1. Title Company is hereby designated as the Reporting Person for the Transaction. Title Company shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

2. Seller and City shall furnish to Title Company, in a timely manner, any information requested by Title Company and necessary for Title Company to perform its duties as Reporting Person for the transaction.

3. Title Company hereby requests Seller to furnish to Title Company Seller's correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Title Company with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Title Company, under penalties of perjury, that Seller's correct taxpayer identification number is ______________.

4. The names and addresses of the parties hereto are as follows:

SELLER: ______________________________
____
____
Attn: ______________________________
Facsimile No.: (__) ______________________

CITY: Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Facsimile No.: (415) 552-9216

TITLE COMPANY: ______________________________
____
____
Attn: ______________________________
Facsimile No.: (__) ______________________

5. Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which the date of closing of the Transaction occurs.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first above written.

SELLER:

____

____

____

Attn: ________________________
Facsimile No.: (__) ________________

By: __________________________

Its: __________________________

Date: __________________________

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: __________________________
JOHN UPDIKE
Director of Property

Date: __________________________

Title Company:

________________ TITLE INSURANCE COMPANY

Date: __________________________

By: __________________________

Its: __________________________

NEW ASIA
Restaurant Lease

This LEASE is made and entered into at San Francisco, California effective the____ day of January, 2002, between **SHEW YICK, TRUSTEE OF SHEW YICK TRUST ONE AND SHEW YICK AND RICHARD TONG, TRUSTEES OF ROBERT YICK EXEMPT ASSETS TRUST** hereinafter called Lessor and, **Hon So, Inc., and Hon Keung So, an individual and Candy Mei-Yiu So, an individual** hereinafter called Lessees, without distinction as to number or gender. Each party signing as Lessee shall be jointly and severally liable for all of the terms and conditions of this Lease.

In consideration of the rents and Lessee's covenants and agreements contained in this Lease, and upon the condition that each and all of the said covenants, obligations and agreements be fully kept and performed by Lessee, Lessor leases demises and lets to Lessee of the building located at 772 Pacific Avenue, San Francisco, California (the "Building").

It is further mutually agreed between Lessor and Lessee as follows:

1. *Premises.* The premises leased (the "Premises") shall consist of the entire Building.

2. *Term.* The term of this Lease shall commence the closing of Lessee's purchase of certain business assets of New Asia Restaurant, a business owned and operated by Lessor. This lease shall terminate on December 31, 2011.

3. *Rent.* On the first day of the month following the time of commencement of this lease, until the first day of December, 2004, Lessee agrees to pay Lessor the sum of Eighteen Thousand Dollars ($18,000) as rent, ("Basic Monthly Rental") payable in advance without deduction or offset, at such place or places as may be designated in writing from time to time by Lessor, on the first day of each calendar month of the lease term. If this lease commences on a day other than the first day of the month, the first month's rent shall be prorated and paid to Landlord from the sales escrow. On the first day of January each year thereafter, the Basic Monthly Rent shall be adjusted upward in the same percentage proportion that the Retail Consumer Price Index for San Francisco-Oakland, *all items*, published by the United States Department of Labor Statistics (the "Index"), shall have increased over the Index reported nearest to the date of signing of this Lease, which shall be referred to as the "Original Consumer Price Index Base Date." There shall be no reduction in the Basic Monthly Rent below the monthly rent in the immediately preceding period. In no event, however, shall the Basic Monthly Rent during the term be adjusted upward by more than five percent (5%) per year cumulatively.

Commencing January 1, 2005, Lessee agrees to pay Lessor the sum of Twenty Thousand Dollars ($20,000) payable in advance without deduction or offset on the first day of each calendar month of the remaining lease term.

On the first day of January each year thereafter (including each year of any option period), the Basic Monthly Rent shall be adjusted upward in the same percentage proportion that the Retail Consumer Price Index for San Francisco-Oakland, *all items*, published by the United States

Department of Labor Statistics (the "Index"), shall have increased over the Index reported nearest to December 31, 2004 which shall be referred to as the New Consumer Price Index Base Date. There shall be no reduction in the Basic Monthly Rent below the monthly rent in the immediately preceding period. In no event, however, shall the Basic Monthly Rent during the remaining term be adjusted upward by more than five percent (5%) per year cumulatively.

If the Basic Monthly Rent or any other payment is received after the 10th of the month in which it is due, Lessee agrees to pay an additional 5% of the payment then due as a Late Payment Charge.

4. ***Security Deposit.*** Lessee has deposited with Lessor the sum of Forty Thousand Dollars ($40,000) which is applied as security for, and to be returned to Lessee only after the full, prompt and faithful performance by Lessee of all of the terms, covenants, and conditions to be kept and observed by Lessee under this Lease, including the payment of all rental installments. The first month's rent and security deposit shall be paid to Lessor on the execution of this Lease, receipt of which is acknowledged by Lessor. If, at any time during the term of this Lease, any Basic Monthly Rent or any other sum payable by Lessee to Lessor under the terms of this Lease shall be overdue and unpaid, then Lessor may, but shall not be required to, appropriate any portion of the security deposit to the payment of any such overdue Basic Monthly Rent or other sum. In the event of the failure of Lessee to keep and perform all of the terms, covenants and conditions of this Lease to be kept and performed by Lessee, then at the option of Lessor, Lessor may, after terminating the Lease, appropriate and apply the entire security deposit or so much of it as may be necessary to compensate Lessor for all loss or damage sustained or suffered by Lessor due to any breach on the part of Lessee. If the entire security deposit or any portion of it is appropriated and applied by Lessor for the payment of overdue Basic Monthly Rent or other sums due and payable by Lessee under this Lease, then Lessee shall upon the written demand of Lessor, remit to Lessor a sufficient amount in cash to restore the security deposit to its original sum. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. If Lessee complies with all of the terms, covenants and conditions of this Lease and promptly pays all of the Basic Monthly Rent and other sums provided for under this Lease as they becomes due, the security deposit shall be returned in full to Lessee at the end of the term of this Lease or upon earlier termination of this Lease.

5. *Condition of Premises*. Landlord is leasing the Premises in an "as is" condition. Landlord and Tenant have agreed that Tenant may, at Tenant's sole expense, renovate and alter the Premises in accordance with the Plans attached as Exhibit A hereto. Tenant will be solely responsible for this renovation work and hold Landlord harmless from all costs and expenses of the renovation work. All such renovation to the Premises shall be approved in writing by Landlord. Tenant acknowledges the Premises are in satisfactory order and condition to commence Tenant's renovation. Landlord shall be under no obligation to make any repairs to the Premises, except as expressly provided in this Lease.

6. *Use of Premises.* Lessee shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than for the specific purpose of conducting a restaurant business, and shall not be used for any purpose unrelated such business.

7. *Insurance Requirements.* Lessee shall, at all times during this Lease, at Lessee's sole cost and expense, maintain in effect in companies acceptable to Lessor, public liability and property damage insurance in the amounts of $1,000,000/$2,000,000 for personal injury and $500,000 for property damage naming Lessor as an insured and covering the Premises. The policy of insurance shall contain a provision that it shall not be canceled without thirty (30) days prior written notice to Lessor and such policy or a copy thereof shall be delivered to Lessor. Lessee agrees that if any of its activity causes an increase in fire or public liability insurance premiums covering the Premises, Lessee will pay to Lessor, as additional rent, the increase in premiums caused by his activity. In the event any such activity shall cause cancellation of any insurance policy covering the Building, or any part thereof, and similar insurance cannot be obtained elsewhere, Lessee shall immediately cease to conduct such activity.

8. *Indemnification and Waiver of Subrogation.* Lessee, as part of the consideration to rendered to Lessor, hereby waives all claims against Lessor for damages to property or injuries to persons, in, upon or about the Premises, arising directly or indirectly from any cause at any time. Lessee shall indemnify and save Lessor free and harmless from and against any cost, loss, liability or expense for or on account of any damage to property or injury to any person, arising directly or indirectly from the use of the Premises caused or made by Lessee, or from the failure of Lessee to keep the Premises in good order, condition and repair.

Lessor hereby releases Lessee, and Lessee hereby releases Lessor, from any and all claims or demands for damages, loss, expense or injury to the leased Premises, or to the improvements, fixtures and equipment, or personal property or other property of either Lessor or Lessee in, about or upon the leased Premises or adjoining property, as the case may be, which is caused by or results from perils, events or happenings which are the subject of insurance carried by the respective parties and in force at the time of any such loss; provided however, that such waiver shall be effective only to the extent permitted by the insurance covering such loss and to the extent of the insurance recovery.

9. *Waste and Alterations.* Lessee shall not commit or cause to be committed, any waste upon the Premises or any nuisance, or other act or things which may disturb the quiet enjoyment of any other tenant in the Building. Lessee shall not make or cause to be made, any alterations of the Premises, or any part thereof, without the express written consent of Lessor first had and obtained, and any additions to, or alterations of Premises, except moveable furniture and trade fixtures, shall at once become a part of the realty and belong to Lessor. Lessee shall keep the Premises and the property in which the Premises is located free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. Lessor shall also have the right to post and maintain on the Premises such notice of nonresponsibility as may be required by law to protect Lessor's rights herein. Lessee shall notify Lessor sufficiently in advance of the commencement of any such work in order to give Lessor the opportunity to post notice of nonresponsibility.

Lessee is prohibited from using any chemicals which would affect plumbing in the Building. Lessee shall pay the cost of any special improvements which may be required by any fire insurance or governmental agency because of Lessee's use of the Premises.

10. *Abandonment.* Lessee shall not vacate or abandon the Premises at any time during the term and if Lessee shall abandon, vacate or surrender the Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the Premises, at the option of Lessor, shall be deemed to be abandoned.

11. *Maintenance and Repair.* Except for the roof and foundations, which shall be maintained and repaired by Landlord, Lessee shall keep and maintain the Premises and every part thereof, in good and sanitary order, condition and repair. In the event the sewer lines leading to the premises need repair, Landlord and Tenant shall share the expense equally. Lessee shall repair any damage caused to the Building or common areas or grounds by the negligent acts of the Lessee or Lessee's agents. On termination of this Lease, Lessee agrees to surrender the Premises in the same conditions as when received, reasonable wear and tear excepted.

12. *Cooperation on Releasing Premises.* Lessee shall permit Lessor, at any time within six (6) months prior to the expiration of this Lease, to bring any prospective tenants onto the Premises for inspection.

13. *Taxes and Insurance.*

(a) Lessee shall pay all taxes and assessments levied upon Lessee's fixtures, furniture, appliances, and personal property installed or located in the Premises. In addition, Lessee shall pay to Lessor any tax attributable to an increase in assessment of the Premises arising from Lessee's improvements.

(b) In addition to the Basic Monthly Rent and building operating expenses, commencing in the year 2007, Lessee agrees to pay to Lessor each year during the term of the Lease, all real estate taxes and insurance premiums on the Premises, including land, building, and improvements thereon. Real estate taxes include all real estate taxes and assessments that are levied upon and/or assessed against the Premises, including any taxes which may be levied on rents. Insurance includes all insurance premiums for fire, extended coverage, liability and any other insurance that Lessor deems necessary on the Premises. Any such tax and insurance premium payments by Lessee shall be upon the basis of taxes and assessments or installments thereof coming due during any leasehold year rather than upon the fiscal year to which such tax is applicable. Any amounts of taxes and assessments required to be paid hereunder shall be paid by Lessee within ten (10) days after written demand therefore and Lessor's tax bill shall be conclusive evidence for the amount to be paid by Lessee. If any amounts due hereunder, or under paragraph 15 above, are received after the tenth day following date of billing, Lessee agrees to pay an additional five percent (5%) of the monthly payment then due as a Late Payment Charge.

14. *Compliance with Governmental Regulations.* Lessee will comply with all laws and regulations of all state, federal, county and municipal authority pertaining to business conducted on the Premises. Lessee shall not permit the Premises to be used for any unlawful purposes. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that the Lessee has violated

any such ordinance or statutes in the use of the Premises, shall be conclusive of that fact as between Lessor and Lessee.

15. *Destruction of Premises.*

(a) Lessee shall notify Lessor in writing of a partial destruction of the Premises, and Lessor shall repair the same, provided the repairs can reasonably be made under the laws and regulations of state, county and municipal authority, within sixty (60) calendar days, during regular weekday hours. A partial destruction of the Premises shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction of Basic Monthly Rent until such repairs have been completed. Such proportionate reduction shall be based upon the extent to which the making of such repairs interferes with the use and occupancy of the Premises. If such repairs cannot be so made within sixty (60) calendar days, Lessor may, at Lessor's option, make the repairs within a reasonable time and this Lease will continue in full force and effect and the rent proportionately reduced as stated above, or, in the alternative, Lessor may terminate this Lease by written notice to Lessee.

(b) In the event that the Building is destroyed to the extent of at least thirty-three and one/third (33 1/3%) percent of the replacement cost thereof, Lessor may elect to terminate this Lease, without further liability to Lessee, whether the Premises be injured or not. A total destruction of the Building shall terminate this Lease, without further liability to Lessee.

16. *Condemnation.* It is mutually agreed that if the whole or any part of the Premises shall be required by, taken or condemned for any public or quasi public use or purpose, then in such event, this Lease shall terminate as of the date when possession is taken by the condemning authority or when title is vested, without apportionment to Lessee of the award or other compensation. Nothing in this Lease shall deprive Lessee of the right, if any, to demand and if entitled, receive from the requisitioning, taking or condemning authority, award or compensation for loss of or damage to any of the Lessee's personal property or business provided that same is not in diminution of the award or compensation payable to Lessor; and Lessee shall make payment of all rent and other charges accrued and prorated to the date of such requisition, taking or condemnation.

17. *Remedies of Lessor.* Lessee shall be in default under this Lease if Lessee shall fail to pay any rentals or other moneys due as provided in this Lease, when the same becomes due and payable, or if Lessee shall fail to keep, or neglect to perform, any one or more of the terms, covenants and agreements required to be kept and performed by Lessee and such failure or neglect shall continue for a period of ten (10) days after notice in writing thereof to Lessee to remedy such default. Whenever Lessee is in default, Lessor may, without notice, avail itself of any of the following remedies:

(a) Enter upon and take possession of the Premises, exclude all persons therefrom and remove any and all property whatsoever found there and place such property in storage for the account and at the expense of Lessee. In the event that Lessee shall not pay the cost for storing any such property after the property has been stored for a period of ninety (90) days or more, Lessor may sell any or all of such property at public or private sale, in such manner and at such times and places as Lessor, in its sole discretion, may deem proper, without notice to Lessee and without demand upon Lessee for the payment of any part of such charges or for the removal of any such property, and shall apply the proceeds of such sale; first, to the cost and expenses of sale and removal, including reasonable attorneys' fees actually incurred; second, to the payment of the costs of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Lessor from Lessee under any of the terms of this Lease; and fourth, the balance, if any, to Lessee. Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of the Premises or removing and storing furniture and property as herein provided and will save Lessor harmless from loss, costs or damages, occasioned Lessor thereby, and no such re-entry shall be considered or construed to be a forcible entry as the same may be defined under California Law, nor shall any such re-entry constitute an election by Lessor to terminate this Lease unless Lessor gives Lessee notice in writing of Lessor's election to terminate.

(b) With or without re-entry, terminate this Lease: in which event Lessee shall immediately surrender possession. Lessee agrees to pay to Lessor as the amount which shall be presumed to be the amount of damage sustained by Lessor by reason of Lessee's breach of this Lease (Lessee agreeing that it would be impracticable or extremely difficult to fix the actual damage) as sum of money equal to the amount, if any, by which the then-cash value of the rent (including Basic Monthly Rent and reimbursable operating costs and expenses and taxes and insurance) reserved under this Lease exceeds the then-cash reasonable rental value of the Premises for the balance of the term at the time of such termination. The claim for the sum due shall be immediately enforceable by Lessor against Lessee by suit, and shall be provable in any proceedings for the bankruptcy or other liquidation or reorganization of Lessee.

(c) With or without re-entry, relet the Premises as the agent and for the account of Lessee at such rental and upon such other terms and conditions as Lessor, in its sole discretion, may deem advisable (including reletting for a term extending beyond the term of this Lease): in which event, the rent received on any such reletting shall be apportioned first to the expense of reletting and collection (including but not limited to any necessary repairs or renovations, a reasonable attorney's fee, and any real estate commissions actually paid) and thereafter to the payment of the sums due and to become due to Lessor hereunder. If a sufficient sum shall not thus be realized to pay rent and other moneys due Lessor hereunder, Lessee shall pay to Lessor monthly any deficiency, and Lessor, at its option, may bring an action for each monthly deficiency.

All rights and remedies of Lessor hereunder shall not be exclusive but shall be cumulative. Waiver by Lessor of any single breach of any term of covenant hereof by Lessee shall not constitute a waiver of any other such breach by Lessee, and acceptance of any payment of rent hereunder shall not be a waiver of any term or covenant hereof except with respect solely to the payment so made.

18. *Attorneys' Fees.* In the event suit shall be brought for an unlawful detainer of the Premises, for the recovery of any sum due under the provisions of this Lease or because of the breach of any covenant herein contained on the part of Lessee to be kept or performed, the prevailing party shall

be entitled to all costs in connection therewith, including a reasonable attorney's fee which shall be fixed by the court, and shall have judgment thereof.

19. *Surrender of Lease.* The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

20. *Sale.* In the event of any sale or conveyance of the Building by Lessor, the same shall be made subject to this Lease but shall operate to release Lessor from any further or future liability under any of the terms, covenants and conditions contained in this Lease in favor of Lessee, whether expressed or implied, and in such event Lessee agrees to look solely to the responsibility of the successor in interest of the Lessor in and to this Lease.

21. *Damage to Building.* Notwithstanding anything to the contrary in this Lease, Lessee shall be liable for all damage to the Building or fixtures caused by moving the property of Lessee into, inside or out of the Building and for all breakage or other damage done by Lessee, or the agents, servants, employees, or invitees of Lessee, as well as any damage caused by the overflow or escape of water, steam, gas, electricity or other substance due to the negligence of Lessee, or the agents, servants, employees or invitees of Lessee. Lessor shall arrange for repair of all such damage or breakage and the cost thereof shall be paid to Lessor upon presentation of a statement by Lessor or a copy of the repair bill rendered to Lessor.

22. *Compliance with Rules and Regulations.* Lessee acknowledges receipt of a copy of the Building Rules in the form attached hereto as Exhibit B and agrees that these rules, regulations and stipulations and such other further reasonable rules, regulations and stipulations as Lessor may make, being, in Lessor's judgment, necessary or advisable for the safety, care and/or cleanliness of the Building and Premises, or the comfort of other tenants, shall be faithfully kept, observed and performed by Lessee, and by the agents, servants and employees of Lessee, unless waived in writing by Lessor.

23.*Notices.* Whenever it be required that any notice be given under this Lease, such notice shall be in writing and may be served upon Lessee personally or by depositing the same in the United States mail, postage prepaid, addressed to the Lessee at the Premises, and may be served upon Lessor by depositing the same in the United States mail, postage prepaid, addressed to Lessor, c/o Shew Yick and Richard Tong, Trustees of Shew Yick Trust One, 1225 Washington Street, #401, San Francisco, CA or such other addresses that the parties hereto may hereafter specify in writing.

24. *Assignment and Subletting.*

(a) Lessee shall not sell, assign, encumber or otherwise transfer by operation of law or otherwise, this Lease or any interest in it, sublet the Premises or any part thereof, or cause or allow any other person to occupy or use the Premises or any portion thereof, without the prior written consent of Lessor as provided herein, nor shall Lessee permit any lien to be placed on the Lessor's interest by operation of law. Lessee shall, by written notice, advise Lessor of its desire from and after a stated date (which shall not be less than thirty (30) days nor more than one hundred twenty (120) days after the date of Lessee's notice), to assign or sublet the Premises or any portion thereof for any part of the term hereof; In such event Lessor shall have the right to be exercised by giving written notice to Lessee thirty (30) days after receipt of Lessee's notice, to terminate this Lease as to the portion of the Premises described in Lessee's notice and such notice shall, if given by Lessor, terminate this Lease with respect to the portion of the Premises therein described as of the date stated in Lessee's notice. Notice by Lessee shall state the name and address of the proposed assignee or subtenant, and Lessee shall deliver to Lessor a true and complete copy of the proposed sublease or assignment with said notice. If notice shall specify all of the Premises and Lessor shall give termination notice with respect to that notice, this Lease shall terminate on the date stated in Lessee's notice. If, however, this Lease shall terminate pursuant to the foregoing with respect to less than all the Premises, the rent, as defined and reserved hereinabove and the payments for real property taxes and insurance as provided for in paragraphs 13 shall be adjusted on a pro rata basis to the number of square feet retained by Lessee, and this Lease as so amended shall continue thereafter in full force and effect. If Lessor, upon receiving notice by Lessee with respect to any of the Premises, shall not exercise its right to terminate this Lease, Lessor will not unreasonably withhold its consent to Lessee's subletting the Premises in said notice.

(b) Any subletting or assigning of this Lease by Lessee shall not result in Lessee being released or discharged from a liability under this Lease. As a condition to Lessor's prior written consent as provided for in this paragraph, the subtenant or subtenants or assignees or subassignees shall agree in writing to comply with and be bound by all of the terms, covenants, conditions, provisions and agreement of this Lease, and Lessee shall deliver to Lessor promptly after execution, an executed copy of each sublease and an agreement of compliance by each sublessee and assignee.

(c) Lessor's consent to any sale, assignment, encumbrance, subletting, occupation, lien or other transfer shall not release Lessee from any of Lessee's obligations under this Lease or be deemed to be a consent to any subsequent occurrence. Any sale, assignment, encumbrance, subletting, occupation, lien or other transfer of this Lease which does not comply with the provisions of this paragraph 24 shall be void.

25. ***Successors and Assigns.*** The covenants and conditions contained in this Lease shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties herein and all of the parties to this Lease shall be jointly and severally liable hereunder, except that if there is more than one Lessee name as a tenant of this Lease, upon the death or total disability of any person named as Lessee, the term hereof or any extension thereof shall terminate as to such deceased or totally disabled Lessee, and the remaining Lessee or Lessees shall remain liable for all the terms thereof.

26. ***Subordination.***

(a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and other payments due under this Lease and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms.

(b) Lessee agrees to execute any documents required to effectuate such subordination of this Lease, any ground lease, mortgage or deed of trust, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to do so.

27. *Estoppel Certificate.* Lessee shall, at any time upon not less than ten (10) days' prior written notice from Lessor, execute, acknowledge and deliver to Lessor a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder or specifying such defaults, if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee (a) that this Lease is in full force and effect, without modification except as may be represented by Lessor, (b) that there are no uncured defaults in Lessor's performance, and (c) that not more than one month's rent has been paid in advance.

If Lessor desires to finance or refinance the building, or any part thereof, Lessee hereby agrees to deliver to any lender designated by Lessor, such financial statements of Lessee as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Lessee. All such financial statement shall be received by the lender in confidence and shall be used only for the purposes herein set forth.

28. *Option to Renew.* Provided Lessee is not in default at the time during the original term of the Lease, Lessee shall have the option to extend the Lease for an additional ten (10) year period by providing Lessor with written notice of exercise of option not less than six (6) months prior to the end of the original term. If Lessee exercises Lessee's option to renew, Basic Rent for the first year of the option period shall be $20,000 per month increased by the percentage increase in the Index as of December 31, 2011 over the index over the Index on January 1, 2004. Rent for the remainder of the Option Period will be increased by increases in the Index in the manner provided in Paragraph 3 of the Lease, and all other terms and conditions of the Lease shall remain in effect.

29. *Amendments.* This Lease contains the entire agreement between the parties. No provisions of this Lease may be amended or added to or modified except by an agreement in writing signed by the parties hereto or their respective successors.

30. *Captions.* The captions of the provisions herein contained are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

31. *Time.* Time is of the essence of this Lease.

LESSOR:	LESSEE:
SHEW YICK TRUST ONE By: ____________________ **ROBERT YICK EXEMPT ASSETS TRUST** By: ____________________	**HON SO, INC.** By: ____________________ Its ____________________ By: ____________________ Candy Mei-Yiu So, in her individual capacity By: ____________________ Hon ~~Kueng~~ So, in his individual capacity Keung

Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

City and County of San Francisco
REAL ESTATE DIVISION
John Updike
Director of Real Estate

April 5, 2017

Mr. John Rahaim
Director of Planning
City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, Ca 94103-2414
Attn: Anna Wong, General Plan Referrals

Subject: Purchase of 772 Pacific Avenue for affordable housing project

Dear Mr. Rahaim:

Enclosed is a General Plan Referral application for the proposed purchase of real property, located at 772 Pacific Avenue (Block 0161 / Lot 015) in the City and County of San Francisco, for the Mayor's Office of Housing and Community Development (MOHCD).

Upon consummation of a purchase transaction for the building, the City will step into the Landlord position for the current restaurant Tenant. The current lease will terminate on 12/31/21, at which time MOHCD will begin construction on an affordable housing project at the property. Rental income from the restaurant through the lease termination will be used to support the affordable housing project.

Please confirm at your earliest convenience the purchase of the subject property is in conformance with the General Plan. Please process payment through our work order between Real Estate and the Planning Department.

Should you have any questions or need additional information, please contact Sandi Levine (sandi.levine@sfgov.org; 415-554-9867).

Respectfully,

John Updike
Director of Real Estate

CC: Anna Wong (CPC)
Sandi Levine (Real Estate)
Dan Sider (CPC)

APPLICATION FOR

General Plan Referral

PROJECT DESCRIPTION:
Please give a detailed description of the project and the reason for a General Plan Referral request.

772 Pacific Avenue is a privately owned real estate parcel with an established restaurant on site. The restaurant's lease terminates on 12/31/21.

It has been offered for purchase by the City, at below fair market value, so that affordable housing may be built on the site at the end of the lease term.

The Mayor's Office of Housing and Community Development has evaluated the site and deemed it suitable for the provision of approximately 60 units of affordable housing in the Chinatown community.

We plan to purchase the property and allow the restaurant to continue operations through the end of lease. During the lease term MOHCD will be planning the project; the build will commence in early 2022.

Mayor's Office of Housing and Community Development
City and County of San Francisco

Edwin M. Lee
Mayor

Olson Lee
Director

April 4, 2017

John Updike
Director of Real Estate
City & County of San Francisco
25 Van Ness, Suite 400
San Francisco, CA 94102

Re: <u>772 Pacific Acquisition</u>

Dear Mr. Updike:

The Mayor's Office of Housing and Community Development (MOHCD) supports the purchase of 772 Pacific from the Shew Family Trust for affordable housing development. 772 Pacific is in the Chinatown Residential-Neighborhood Commercial zoning district. The site was previously operated an auto garage, as early as 1919, before being converted to its current restaurant use in 1971. MOHCD anticipates development of the site as permanently affordable housing with approximately 60 units, subject to further analysis.

MOHCD is in receipt of the following documents and information related to 772 Pacific:

1) Purchase and Sale Agreement
2) Preliminary Title Report
3) San Francisco Property Information Map
4) Phase 1 Report
5) UST Visual Inspection Report
6) UST Assessment, indicating presence of an underground fuel storage tank installed in 1953
7) New Asia Restaurant Lease (through 12/31/21)

Based upon our review of the materials provided, the Site is suitable for affordable housing development and meets the City's requirements for a land acquisition by the City.

Conditions related to the land acquisition include the following, without limitation:

1) Fee title interest to the Site must be conveyed clear of all title exceptions except those are indicated in the title report dated February 23, 2017.

1 South Van Ness Avenue – Fifth Floor, San Francisco, CA 94103
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 • www.sfmohcd.org

2) MOHCD acknowledges the presence of the UST, a recognized environmental condition (REC), cost of removal of which will be included as part of the anticipated future development of the site as affordable housing.

3) The tenancy may be eligible for relocation benefits, and the funding source for said benefits, if applicable, would be the rental revenues post-acquisition.

4) Real Estate will manage the asset in accordance with the terms of an appropriate MOU to be negotiated between Real Estate and MOHCD until such time as the tenant has vacated the premises.

5) The City's acceptance of the Site is conditioned on a finding of consistency with the General Plan and approval of the conveyance by the Board of Supervisors and the Mayor, in their respective sole discretion.

Any future financing from MOHCD appears to be within our programmatic parameters for multifamily lending. Any MOHCD financing would be to fund construction work and eligible costs attributable to the project on terms and conditions satisfactory to MOHCD, and will be subject to availability of funds, compliance with funding requirements, Citywide Affordable Housing Loan Committee approval, execution of all necessary legal documents and any other special terms and conditions related to this project. Therefore, allowing the tenant to remain until the natural termination of their lease would be acceptable to MOHCD.

Sincerely yours,

Olson Lee

Olson Lee

cc: Sandi Levine, Department of Real Estate
John Rahaim, Kate Connor, Carly Grob, Department of City Planning

A. Project Location

STREET ADDRESS OF PROJECT:
772 Pacific Avenue
ASSESSOR'S BLOCK/LOT NO(S) If project is in public right-of-way, provide block/lot nos. of fronting property.
0161-015

B. Project Information

PROJECT TITLE / SUMMARY: - Please briefly summarize the project in one to two sentences.	
772 Pacific, Purchase of parcel for future site of affordable housing project	
PRESENT OR PREVIOUS USE:	PROPOSED USE:
Restaurant	future affordable housing build
CURRENT ZONING:	IS PROPOSED USE ALLOWED UNDER CURRENT ZONING?
CNRC	☑ Yes ☐ No

C. Applicant/Agent Information

APPLICANT'S NAME:	APPLICANT'S SIGNATURE	
John Updike		
APPLICANTS ADDRESS:	PHONE:	FAX:
25 Van Ness Avenue, Suite 400 San Francisco, CA 94102	415-554-9867	
	EMAIL:	
	john.updike@sfgov.org	

AGENT'S NAME (CONTACT FOR INFORMATION):	COMPANY NAME:	
Sandi Levine	CCSF, Real Estate Division	
AGENT'S ADDRESS:	PHONE:	FAX:
25 Van Ness Avenue, Suite 400 San Francisco, CA 9410	415-554-9867	
	EMAIL:	
	sandi.levine@comcast.net	

D. City Department with Jurisdiction

DEPARTMENT WITH JURISDICTION:		
Mayor's Office of Housing and Community Development/Re	☐ Check here if same as above	
NAME OF DEPARTMENT CONTACT:	SIGNATURE OF DEPARTMENT CONTACT:	
Sandi Levine	Sandi Levine	
ADDRESS:	PHONE:	FAX:
772 Pacific Avenue	415-554-9867	
	EMAIL:	
	sandi.levine@comcast.net	

If more than one department has jurisdiction, attach additional sheets.

PART 2. PROJECT INFORMATION CHECKLIST

A. Project Checklist PROJECT & PROPOSED ACTION (Please check all that apply)

Property or Open Space

- [x] Acquisition / Lease
- [ ] Sale / Lease
- [ ] Change in Use
- [ ] Other(Specify below)

Public Building or Structure

- [ ] New Construction
- [ ] Alteration
- [ ] Demolition
- [ ] Change in Use
- [ ] Acquisition / Lease
- [ ] Sale / Lease
- [ ] Other (Specify below)

Redevelopment Area / Project

- [ ] New
- [ ] Major Change
- [ ] Other (Specify below)

Sidewalk, Street, Transportation Route

- [ ] Corner bulbouts or widening less than 1 block*
- [ ] Widening
- [ ] Narrowing
- [ ] Extension
- [ ] Encroachment Permit
- [ ] Street Vacation
- [ ] Abandonment
- [ ] Other (Specify below)

Subdivision

- [ ] New
- [ ] Replat
- [ ] Lot Line Adjustment
- [ ] Other (Specify below)

Public Housing

- [ ] New Construction
- [ ] Major Change
- [ ] Other (Specify below)

Publicly Assisted Private Housing

- [ ] New Construction
- [ ] Major Change
- [ ] Other (Specify below)

Capital Improvement Plan

- [ ] Annual Capital Expenditure Plan
- [ ] Six Year Capital Improvement Program
- [ ] Capital Improvement Project
- [ ] Other (Specify below)

Long Term Financing Proposal

- [ ] General Obligation Bond
- [ ] General Revenue Bond
- [ ] Non-Profit Corporation Proposal
- [ ] Other (Specify below)

Environmental Review

Prior to issuance of a GPR, the project must receive clearance under the California Environmental Quality Act (CEQA). Has the project already been covered by previous environmental analysis? If yes, please provide the project name and/or case number if cleared by the San Francisco Planning Department or the agency and project name, and case number if cleared by another lead agency.

Agency:______________________

____

Project Name:______________________

____

Case Number:______________________

____

* qualifies for streamlined referral

PART 3. FINDINGS

Priority General Plan Policies Findings

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the project. Each policy must have a response. **If a particular policy does not apply to the project, explain why it does not apply.**

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

No changes until early 2022. MOHCD will develop in accordance with all applicable requirements.

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

No changes until early 2022, and plan is to increase neighborhood affordable housing in conformance with requirements in effect at the time.

3. That the City's supply of affordable housing be preserved and enhanced;

Will produce additional affordable housing.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

No changes until 2022, affordable housing in future should not increase parking burden in the neighborhood.

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

No changes until 2022, affordable housing in future increase proximity of local workforce to available jobs, thereby helping with resident employment.

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

No changes until 2022, future construction will provide affordable housing built to code requirements, thereby increasing safety of housing stock in the neighborhood.

7. That landmarks and historic buildings be preserved; and

No changes until 2022, future construction plans will be made in accordance with all requirements, including history preservation issues if applicable.

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

No change in open space, affect of future construction will be addressed in entitlement process with Planning Dept.

PART 4. APPLICATION CHECKLIST & APPLICANT AFFIDAVIT

A. Application Submittal Checklist

Applications must be accompanied by this checklist and required materials. The checklist is to be completed and **signed by the applicant or authorized agent and the City Department with jurisdiction.**

REQUIRED MATERIALS (Check if provided)	IF NOT PROVIDED, PLEASE EXPLAIN
☒ Two copies of the completed application, with all blanks filled in, signed by applicant and 2 copies of the following application materials:	scanning 1 complete app
☒ Name and signature of City Department with jurisdiction over the project	See MOHCD approval letter from Olson Lee
☒ Letter from Applicant, authorizing agent to represent applicant	
☐ Set of project drawings	Not applicable
☒ Location Map (showing adjacent properties)	
☐ Site Plan	Not applicable
☐ 8.5"x11" or 11"x17" Reduction of Site Plan	Not applicable
☐ Architectural floors plans and elevations	Not applicable
☒ Photographs of Project Site and its immediate vicinity, with viewpoints labeled	
☐ Planning Code Section 101.1 Prop. M Findings	Not applicable
☐ Check payable to Planning Dept.	Existing work order w/Planning Dept

B. Applicant's "Affidavit

I certify the accuracy of the following declarations:

a. The undersigned is the owner or authorized agent of the owner of this property.
b. The information presented is true and correct to the best of my knowledge.
c. I understand that other applications and information may be required.

Signature of Applicant

Date: 4/5/17

John Updike, Director of Real Estate

Name of Applicant or Authorized Agent (Type or Print)

Signature of City Department Representative (if City-sponsored Project)

Date: 4/5/17

John Updike, Director of Real Estate

Name of City Department Representative (Type or Print)

After your case is assigned to a planner, you may be contacted and asked to provide an electronic version of this application including associated photos and drawings.

For Department Use Only

Application received by Planning Department and deemed complete:

By: ______________________________ Date: ______________

SAN FRANCISCO
PLANNING
DEPARTMENT

FOR MORE INFORMATION:
Call or visit the San Francisco Planning Department

Central Reception
1650 Mission Street, Suite 400
San Francisco, CA 94103-2479

TEL: **415.558.6378**
FAX: **415.558.6409**
WEB: **http://www.sfplanning.org**

Planning Information Center (PIC)
1660 Mission Street, First Floor
San Francisco, CA 94103-2479

TEL: **415.558.6377**

Planning staff are available by phone and at the PIC counter. No appointment is necessary.


REIS
Overview Entire Map Zoom-In Zoom-Out Pan Photos Facilities Lands Lots Photos Layers Print Help
BROADWAY
CORDELIA ST
STOCKTON ST
STARK ST
PACIFIC AVE
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Google Maps

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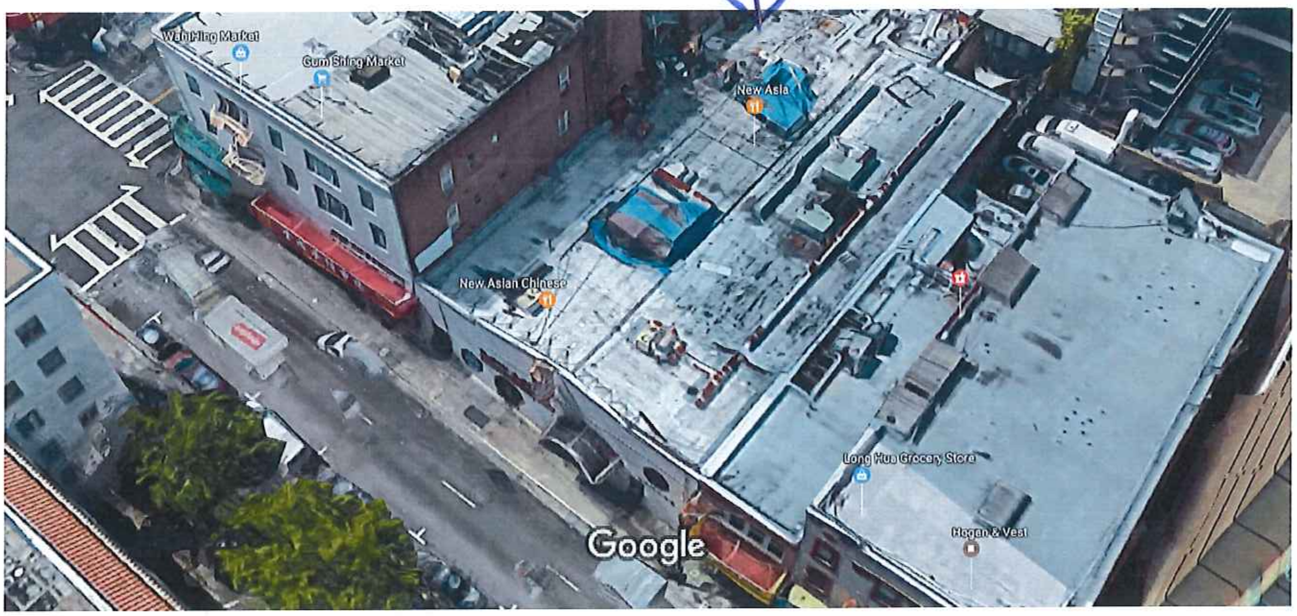

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Request For Qualifications

For the development of new affordable rental housing projects on nine separate sites, located in various neighborhoods in the City and County of San Francisco

Issued: November 30, 2020

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

Responses due by 4:00 p.m. on January 22, 2021

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II. INTRODUCTION

The City and County of San Francisco (the "**City**"), acting through the Mayor's Office of Housing and Community Development ("**MOHCD**"), is seeking qualified affordable housing developers (the "**Selected Developers**") to assist the City in developing permanently affordable rental housing for seniors, families and homeless people (the "Projects") on nine distinct sites located in various San Francisco neighborhoods (the "**Sites**") through this Request for Qualifications (this "**RFQ**"). The Sites, their characteristics and standards for development for each Project are described in Section IV, "Context" below.

Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference ("**COP**"), Displaced Tenant, and Neighborhood Resident Preference Programs which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing. In an effort to redress past and present inequities, MOHCD is developing the Sites with these populations in mind. Successful developers will have direct experience working with COP holders, or populations who share characteristics with the COP population.

Among the goals of this RFQ are to:

- Align each development program with the implementation of city policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations;
- Ensure that development teams are working within a culturally competent approach through the development process;
- Create opportunities for growth of smaller and Black, Brown, Indigenous and other people of color, (BIPOC)-led organizations in development role or as members of the development team;
- Select partners that are able to work with MOHCD to deploy city resources, tools and expertise to create developments that are responsive to populations disproportionately impacted by systemic racism.

MOHCD is issuing this RFQ for multiple sites to facilitate, economize and streamline the process for the development of affordable housing. Qualified affordable housing developers that respond to this RFQ ("**Respondents**") may apply for consideration for selection for as many of the sites as they see appropriate. **A separate application packet must be submitted for each site, including all appendices and exhibits.**

For consideration for selection as a Selected Developer, Respondents should meet the following qualifications:

Dependent on the target population of a particular site for which a responsive document is submitted, respondent teams to this RFQ must be comprised of:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities, with experience developing housing for the identified priority populations (such as Certificate of Preference Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, HIV Positive households and/or formerly homeless households) acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization (either or both organizations may be incorporated as a non-profit);
- A property owner entity with experience owning housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, HIV Positive households and/or formerly homeless households);
- A property management entity with experience managing housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, HIV Positive households and/or formerly homeless households);
- At least one services-providing entity with experience providing services appropriate for the intended target population(s) of each site.

MOHCD's expectations for responsive submittals include a thorough discussion of Respondents' background in developing and managing permanently affordable housing for the priority/targeted populations. Responses should include both a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

Respondents should align their development approach with the key findings articulated in MOHCD's Theories of Change as discussed in the **2020-2024 Consolidated Plan (**see: https://sfmohcd.org/sites/default/files/Documents/Reports/REVISED%20Full%20Amended%202020-2024%20Consolidated%20Plan%20and%202020-2021%20Action%20Plan%20Sept%202020%20-%20Reduced.pdf.) MOHCD has determined that the optimum way to address the City's priority needs is to work towards a set of five interconnected, multidisciplinary objectives that cross program areas and utilize leveraged strategies both internally and across multiple city departments. These five objectives are:

- Objective 1: Families and individuals are stably housed
- Objective 2: Families and individuals are resilient and economically self-sufficient
- Objective 3: Communities have healthy physical, social, and business infrastructure
- Objective 4: Communities at risk of displacement are stabilized
- Objective 5: City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:

- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement

Expectations for development of all Sites include:

- Maximize the number of priority placements into the Sites (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of smaller and Black, Brown, Indigenous and other people of color, (BIPOC)-led organizations in development role
- Development of affordable housing structures containing an appropriate number of units;
- Maximization of the number of units and density within a mid-rise construction type (75' occupied space) and/or limit of per unit City contribution to at or below average of similar, while balancing community input on unit configuration and size - in limited cases a high rise may be acceptable to the City;
- Provision of ground floor commercial spaces that serve the neighborhood (including the residents of the Project), with specific programming determined through a comprehensive community outreach process where ground floor commercial uses are appropriate and feasible;
- Conduct community outreach to engender support for the Project;
- Secure construction and permanent financing that minimizes City resources to the greatest extent possible, e.g. a State of California, Housing & Community Development (HCD) loan and/or the City's No Place Like Home (NPLH) loan for homeless households;
- Commence construction on the Projects as soon as possible, using streamlined ministerial approval processes. For example, SB35 may be used in conjunction with the Affordable Housing Density Program or the State Density Bonus Program.
- Provide on-site services to formerly homeless residents at a cost-effective case management ratio (approximately 1:20) depending upon sub-population – consult with the Department of Homelessness and Supportive Housing ("HSH") for expected ratio for senior, family, TAY or other special needs populations referred from Coordinated Entry and expecting to utilize a City subsidy for operations or services.
- Provide initial draft marketing plans within 18 months of anticipated Temporary Certificate of Occupancy ("TCO"), outlining the affirmative steps Respondents will take to market each Project to the City's preference program participants including Certificate of Preference (COP) Holders, Displaced Tenants, and

Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

- **MOHCD will be requesting demographic** data regarding the Boards of Directors of member organizations of the Development Team's and of the staff of the Respondents that are selected.

MOHCD is not seeking submissions that include elevations, pro forma statements, or detailed financial feasibility analyses.

MOHCD intends to transfer the Sites (subject to final approval by the Board of Supervisors) to qualified developers for these purposes through long-term ground leases. Maximum rents will be restricted to an unsubsidized average income of 60% Unadjusted San Francisco Area Median Income ("AMI"), as defined by MOHCD. Some portion of the units must be set aside for extremely-low income (30% AMI) households that are not homeless and will enter the lottery process. At least 5 units per site (10 for Pier 70) must be set aside for referrals from the Plus Housing list, with the rents set at no more than 50% AMI. For more information about MOHCD's Plus Housing program, please see this page on our website: https://sfmohcd.org/plus-housing.

Sources of funds for development of these nine sites include, but are not limited to, inclusionary housing fees, jobs housing linkage fees, and 2019 Affordable Housing GO Bonds. Insofar as inclusionary fees are not collected due to deferrals or delays, MOHCD will seek to support completion of the predevelopment phases of the projects.

MOHCD WILL ONLY ACCEPT ELECTRONIC SUBMISSIONS. Electronic responses delivered to this RFQ must be received by MOHCD no later than 4:00 PM on January 22, 2021. Responses are to be delivered via Drop Box to mohcdrfq9@sfgov.org. Facsimile responses will not be accepted.

III. IMPORTANT DATES AND SUBMISSION PROCESS

A. IMPORTANT DATES

RFQ available at MOHCD Website	NOVEMBER 30, 2020
Submit completed RFQ Registration Forms to MOHCD	DECEMBER 18, 2020
Pre-submission conference via Zoom or MS Teams	DECEMBER 18, 2020

Deadline for questions and requests for additional information	JANUARY 4, 2021
Deadline for submitting qualifications	JANUARY 22, 2021
Notification to development teams who met submission requirements	MARCH 1, 2021
Development team interviews, if necessary	MID-MARCH 2021
Announcement of selection of development teams	LATE MARCH 2021 TO EARLY APRIL 2021
Deadline for Objections	APRIL 2021

B. PRE-SUBMISSION MEETING

MOHCD will hold a pre-submission conference via ZOOM or Microsoft Teams on December 18, 2020 at 2:00 p.m. The purpose of the meeting is to ensure that interested developers understand the minimum qualifications requirements and the selection process. Questions raised at the conference may be answered verbally at that time. If any substantive new information is provided in response to questions raised at the pre-submission conference, MOHCD will issue a written addendum to the RFQ (in the form of a Question and Answers document) with this information to all parties that have registered for the RFQ. No questions or requests for interpretation will be accepted after January 4, 2021. Attendance at the pre-submission conference is highly recommended but not mandatory. Please see below regarding **Attachment 2 - RFQ Registration Form**.

C. REGISTRATION FOR RFQ REQUIRED

To receive MOHCD's responses to requests for additional information and to questions about this RFQ, and to submit a qualification package, all interested parties must submit a completed RFQ Registration Form to MOHCD by December 18, 2020. All addenda, responses and instructions for electronic submission will be distributed to all parties who have submitted a registration form in accordance with Section IIB above. MOHCD reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information. Questions and information requests should be submitted to the contact person identified in Section III(B).

D. QUESTIONS AND REQUESTS FOR INFORMATION

All questions and requests for additional information regarding this RFQ must be submitted by e-mail to **mohcdrfq9@sfgov.org**. Questions received after the deadline may not be answered. All addenda, response, and additional information will be distributed to all parties who have submitted a registration form in accordance with Section III(C).

E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE

All communications about this RFQ should be directed to Mara Blitzer at mohcdrfq9@sfgov.org.

Respondents to this RFQ must submit one (1) electronic copy of each of their proposals to MOHCD via **SFSecureShare**, no later than 4:00 PM, January 22, 2021. **Proposals are to be delivered by email at sfmohcdrfq9@sfgov.org by providing a DropBox link. Respondents who submit registration forms will be advised of any information necessary for the electronic submittal process.**

IV. CONTEXT

A. THE SITES

Nine sites are contemplated for development in this RFQ. Sites One through Three are intended to be developed as Senior Housing. Sites Four through Seven are intended for development as Family Housing. Sites Eight and Nine are intended for development as supportive housing for homeless people. **Target populations for all sites include persons with special needs as well as those who are eligible for residential priority placements through the City's lottery preference programs.** All sites are expected to qualify for ministerial approvals from the Planning Department through SB35, which may be used in conjunction with the State Density Bonus Program or the Affordable Housing Density Bonus Program. A map showing the location and configuration of the sites is attached as Exhibit 1.

Site Number	Site Name	Site Address	APN	Proposed Use
One	Pacific Avenue	772 Pacific Avenue	0161/015	Senior Housing
Two	Mission Street	967 Mission Street	3725/086	Senior Housing
Three	Market Street	1939 Market Street	3501/006	Senior Housing
Four	South Van Ness	1515 South Van Ness Avenue	6571/008	Family Housing
Five	Bluxome Street	88 Bluxome Street	3786/037	Family Housing
Six	Pier 70 C2A	Unassigned (Parcel C2A)	Various	Family Housing
Seven	Freelon Street	160 Freelon (598 Brannan) St	3777/045	Family Housing
Eight	Boardman Place	71 Boardman Place	3779/084	Supportive Housing
Nine	Harrison Street	725 Harrison Street	3762/117	Supportive Housing

Depending upon the amount of Due Diligence documentation that has been prepared for the various sites and the age of those documents, the selected Developers may need to commission their own studies as part of design and engineering work post selection. Documents available for each site are listed in the description of each site, below. For purposes of this RFQ, it is assumed that following any required mitigation, soil and subsoil conditions on the Sites is sufficient to support development that complies with the maximum allowable height, bulk and density limitations of the Site's applicable zoning requirements.

B. SENIOR HOUSING

Expectations for Senior Housing: The City expects the Selected Developer(s) to do the following:

- Meet the expectations listed in the Introduction for households aged 62 and older;
- Serve formerly homeless seniors, in units subsidized by the City's Local Operating Subsidy Program ("LOSP") and a City services contract. 20% of the total number of units will be LOSP-subsidized units for formerly homeless seniors;
- Set aside at least 5 units for households on the City's Plus Housing List, with rents set no greater than 50% AMI;
- Provide on-site services to formerly homeless residents at a cost-effective case management ratio (1:20);
- Achieve a feasible project within the funding constraints, namely, $250,000 of MOHCD subsidy per unit.
- Maximize the number of target population placements into the Project (COP holders, etc.).

LOSP will be available to units serving the formerly homeless seniors. The LOSP will be administered through a 15-year contract with MOHCD, to cover the difference between tenant-paid rents for LOSP units and operating expenses attributable to LOSP units. LOSP operating subsidy calculations should account for all typical costs of operations, reserves and fees on a pro-rata basis. LOSP subsidies may not be used to pay hard debt service, other than qualified minimal debt service payments for state financing. Applicants offering LOSP units will need to apply for funding for provision of services to these formerly homeless households through the Department of Homelessness and Supportive Housing. Section 8 project based rental assistance is not anticipated to be available at this time.

1. Site One, 772 Pacific Avenue

a) Background Information

772 Pacific Avenue, ("Pacific Avenue") (Block 0161 Lot 015) is located on the northern side of Pacific Avenue between Grant Avenue and Stockton Street in

San Francisco's Chinatown neighborhood. Pacific Avenue is a rectangular-shaped lot of 9,219 square feet and is currently improved with a restaurant within a two-story commercial building of 13,271 square feet constructed in 1919. There is no basement beneath the structure. The building was renovated circa 1971 into the current restaurant from a former garage facility. The building occupies the majority of the parcel with the exception of a paved municipal sidewalk on the south side along Pacific Avenue. Located at an elevation of approximately 85 feet above mean sea level (msl), the property slopes down to the east along the front sidewalk. The City purchased the site in June 2017.

Chinatown is the most densely populated urban area west of Manhattan, with 34,557 residents living in 20 square blocks. 78.79% of the population is Asian, 1.10% of the population is Black and 14.68% of the population is White. The median age is 50 years, the oldest of any neighborhood. San Francisco's median household income stands at $91,938. In Chinatown, the median household income is $25,909. Nearly a third of its residents live below the poverty line. Most residents are monolingual speakers of Mandarin or Cantonese; in 2015, only 14% of households in the SROs were headed by a person that spoke English fluently.

As of 2015, two thirds of the residents live in one of Chinatown's 105 single room occupancy hotels (SROs), 96 of which have private owners and nine are owned by nonprofits. There are three former public housing projects in Chinatown, 990 Pacific, Ping Yuen and North Ping Yuen.

The Chinatown area is primarily composed of small-scale buildings. Most existing buildings are quite low and due to the pattern of the lots, many are relatively short in depth. The typical lot size is only 3,500 square feet. The few large buildings in the area intrude into this fine-scaled texture of development. Land uses in Chinatown generally consist of medium density residential, neighborhood commercial, community business, and visitor retail.

While Census Tract 6075-010700, in which the site is located, has not been designated a Disadvantaged Community by CalEnviroScreen, the social and economic characteristics of the area lead to concern about the quality of living conditions for the largely elderly or immigrant populations. The census tract has a CalEnviroScreen of 25.63. The score reflects that 86.37 percent of the area's population lives below two times the federal poverty level, 93.67 percent of the population has less than a high school education, 99.87 percent are linguistically isolated. Seventy-four percent (74.38%) of the area's population is both low income and severely housing burdened, meaning that they pay more than 50% of their income for housing.

Once complete, the Central Subway will link the Third Street light rail service with the South of Market, Union Square and Chinatown neighborhoods. It is anticipated that provision of better transit service and connection to neighborhoods currently not served by a subway would facilitate a mode shift from vehicles to transit. Additionally, the proposed housing project is consistent with the strategies and furthers the objectives of the Sustainable Chinatown initiative. Read more here: https://sustainablechinatown.org/wp-content/uploads/Strategies-for-a-Sustainable-Chinatown_WEB.pdf.

b) Zoning/Land use Entitlements

The Subject Property is zoned CRNC – Chinatown Residential-Neighborhood Commercial and is located within the Chinatown neighborhood. Housing development in new and existing buildings is encouraged above the ground floor. The residential density allowed in the CRNC District is one dwelling unit per 200 square feet of lot area (46 units) or one group housing room per 140 square feet of lot area (66 rooms). The Subject Property is located in the 65-N Height and Bulk District.

The restaurant located on the Subject Property, the New Asia Restaurant, is classified as a Legacy Business and has expressed interest in returning to the site upon development of affordable housing.

A project on Pacific Avenue is eligible for approval using the State Density Bonus Program for 100% Affordable Housing (also known as AB 1763), which provides three additional stories, form-based density, and up to four incentives/ concessions. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

A Phase One Environment al Site Assessment ("ESA") was conducted on November 21, 2020 by EBI Consulting ("EBI"). The ESA found no evidence of recognized, historical, or controlled environmental conditions. However, EBI made the following recommendations:

- Conduct a Ground Penetrating Radar ("GPR") survey and Phase II Assessment to evaluate potential presence and impact from gasoline Underground Storage Tank ("UST") installed in 1953.
- Develop and implement an Asbestos Operations and Maintenance (O&M) Plan. Address limited damaged suspect ACM in accordance with O&M Plan.
- Conduct a limited subsurface investigation to characterize subsurface conditions at this location.

TR&A conducted a Phase II site assessment in March 2017 which confirmed the presence of an abandoned UST.

d) Available Due Diligence Documents

- Phase I Environmental Site Assessment, 772 Pacific Avenue, San Francisco, California, EBI Project No. 1116005897, November 21, 2016
- UST Assessment at 772 Pacific Ave., San Francisco, CA. TR&A, Inc. March 15, 2017.

2. Site Two, 967 Mission Street

a) Background Information

967 Mission Street, ("Mission Street Site") (Block 3725 Lot 086) is located on the southern side of Mission Street midblock between Mary Street and Sixth Street in San Francisco's SOMA neighborhood. It is an 8,777 square foot rectangular parcel with frontage on both Mission and Minna Streets. Currently the site serves as a surface parking lot (approx. 36 parking stalls) with chain link fencing at the back of each sidewalk/at the property line. The City acquired the site in 2019 as a land dedication as part of an agreement between the City and the developer of the 5M project.

The development of SOMA has been largely influenced by its proximity to railroads, the waterfront and freeways. These factors created a neighborhood that historically functioned as a nexus for industry and transport, and was as at one time one of the City's most densely populated residential areas. Historically, it has been home to a primarily working-class, immigrant labor force. These dynamics have their origins in the first decades following the Gold Rush and continued to serve as primary forces shaping the neighborhood well into the 21st century. More than any other neighborhood, SOMA's development has been influenced by the confluence of events of the 20th Century, including the Great Earthquake of 1906, the Depression, construction of the Bay Bridge, the demise of heavy industry, and Redevelopment.

SOMA has always played an important role in housing low- and moderate-income San Franciscans in various forms, from the SRO hotels that historically primarily housed single men and residential towers dedicated to housing seniors, to the modest family-oriented housing that has lined the alleys. In more recent decades, a substantial amount of market-rate housing (generally affordable to those with higher incomes) has been created, as well as conversions of older warehouses. These buildings included condominiums, apartment buildings, and live-work lofts. The neighborhood also includes a homeless population, many of whom come to the neighborhood to use the services available here, including a large shelter located at 5th and Bryant Streets. The result is that today SOMA has an incredibly diverse population in terms of race, income, and unit size. This diversity is a critical part of its neighborhood character.

Culturally, SOMA has great importance to the Filipino and LGBTQ communities. The Site is within the “SOMA Pilipinas”, a portion of SOMA officially recognized by the City of San Francisco and the State of California as SF’s Filipino Cultural Heritage District. According to the 2010 U.S. Census, more than 5,000 Filipino-Americans call this area their home. The establishment of Filipino ethnic enclave in the area was the result of a combination of factors that included inexpensive housing, proximity to both the waterfront and service industry jobs downtown, two Catholic parishes, and an established multi-ethnic population.

Other groups such as artists, activists, and sexual minorities, also moved to the South of Market area. The primarily industrial and commercial emphasis attracted nightlife and other entertainment uses with less friction compared to more residential neighborhoods. Although the area eventually became known primarily for its leather subculture, the South of Market area featured a variety of establishments, including bars, bathhouses, and dance clubs, that catered to a cross-section of San Francisco’s diverse LGBTQ community.

Located in Census Tract 6075-017601, the area has been designated by the California Environmental Protection Agency CalEnviroScreen as a Disadvantaged Community that is disproportionately burdened by multiple sources of pollution. The potential vulnerability of the population to the effects of pollution is among the highest in the State of California. The tract is in the 99th percentile for exposure to diesel particulate matter, the 97th percentile for proximity to toxic cleanup sites, the 92nd percentile for incidence of asthma and the 97th percentile for incidence of low birth weight.

The population of the Census Tract is 7,630 persons. Of these, 5.6 percent is below the age of 10, 85.1 percent falls between the ages of 11 to 64, and 9.3 percent is over the age of 65. It has a CalEnviroScreen score of 41.93 placing it in the 78th percentile of impacted communities disproportionately affected by pollution. This score reflects that 52.3 percent of the area’s population lives below two times the federal poverty level, 15.1 percent have less than a high school education, 14.6 percent are linguistically isolated, and 28.7 percent is both low income and severely housing burdened, meaning that they pay more than 50% of their income for housing. The area is subject to advanced gentrification and is one of San Francisco’s Census Tracts with the highest risk of displacement.

According to the 2010 census, the racial/ethnic makeup of the Census Tract is 31.6 percent White, 13.6 percent Hispanic, 12.9 percent African American, 36.4 percent Asian, 1 percent Native American and 4.5 percent identified as other. Due to the ethnic/racial makeup and the poverty index, the area would be classified by HUD as an environmental justice community. As such it must be determined whether development of the Project would expose Project residents to adverse environmental effects and if so, documentation that the affected community residents have been meaningfully informed and involved in a participatory planning process to address (remove, minimize, or mitigate) the adverse effect will be required.

b) Zoning/Land use Entitlements

The Site is located in the C-3-S- Downtown Support zoning district, which permits the variety of uses found on the blocks surrounding Yerba Buena Gardens. This includes special uses supporting functions such as wholesaling, printing, building services and secondary office spaces. The site is an Article 38 Air Pollution Zone and within the Filipino Cultural Heritage District. There is no residential density limit in the C-3-S Zoning District. Density is regulated by the permitted height and bulk, required setbacks, exposure and open space of each development lot. The Site is located in the 160-F height and bulk district.

A Project on the Site is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

A Phase One Environmental Site Assessment was conducted by PANGEA Environmental Services, Inc in August 2015. No Recognized, Historical or Controlled Environmental Conditions were discovered. The Site is not listed on any database searched by Environmental Data Resources (EDR) as part of the Phase One ESA. The Site is not currently within the Maher Ordinance but is surrounded by Maher Ordinance coverage. During the site permitting process for development, the City may require subsurface assessment to evaluate subsurface conditions. If chemical impact is encountered during site assessment, a site mitigation plan may be required by the San Francisco Department of Public Health (“DPH”). No non-ASTM considerations were identified during the course of the Phase One Assessment.

d) Available Due Diligence Documents

- Phase I Environmental Site Assessment Report, 967-971 Mission Street, San Francisco, California, August 10, 2015
- ALTA/NPS Land Title Survey
- California Commercial Disclosure Report

3. Site Three, 1939 Market Street

a) Background Information

1939 Market Street (the "Market Street Site") (Block 3501 Lot 006) is a 0.27-acre parcel located southeast of Market Street, west of Cameron Street, and north of Duboce Avenue on the northwestern edge of San Francisco's Mission Neighborhood. The visual setting of the Project area is varied, reflecting the unique visual characteristics its topography, street grids, public open spaces, and surrounding neighborhoods adjacent to its boundaries. These include the Civic Center and Mid-Market to the east, the Inner Mission District and SOMA to the south, the Western Addition to the north and west, and Duboce Triangle to the west. The lot is irregularly shaped and currently improved with a parking lot and a multi-story office building. The building is currently occupied. The City acquired the site in 2020. A Restrictive Covenant has been recorded on the property requiring all future improvements to be made by signatories to collective bargaining agreements only.

In the 1960s and 70s, the Castro became one of the most prominent LGBTQ communities in the world, and it remains so today. An additional goal of development for this site is to be affirming to LGBTQ residents through all aspects of the housing development process and building operations and seek applicants that wish to be affirming of LBGTQ identities.

District 8, in which the Site is located, is less racially and ethnically diverse than the city overall. Almost two-thirds (63.8%) of all District 8 residents identify as white, compared to only 40.6% of all San Franciscans. District 8 has approximately half the citywide average of Black and Asian residents, and slightly less than the citywide average of Latinx residents. However, the district has more people that identify as another race (i.e., Native American, Pacific Islander, Other), or two or more races, than the citywide average.

Located in Census Tract 6075-020200, the population of the project area is 6,075. Of these, 5.7 percent are below the age of 10, the age of 83.7 percent of the residents is between 11 and 64, and 10.6 percent of the population is over the age of 65. According to the 2010 census, the racial/ethnic makeup of the project area census tract is 49.5 percent White, 25.2 percent Hispanic, 6 percent African American, 15.9 percent Asian, less than 1 percent native American and 2.9 percent identified as other.

According to the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment CalEnviroScreen, the project area is not a Disadvantaged Community disproportionately burdened by multiple sources of pollution. It has a CalEnviroScreen of 23.34; this score reflects that 44.46 percent of the area's population lives below two times the federal poverty level, 35.49 percent has less than a high school education, 53.66 percent are linguistically isolated, and 16.6 percent are both low income and severely housing burdened, meaning that they pay more than 50% of their income for housing. The area is subject to advanced gentrification and is one of San Francisco's Census Tracts with the highest risk of displacement.

b) Zoning/Land use Entitlements

The site is located in the NCT-3 Moderate Scale Neighborhood Commercial Transit District and the Market and Octavia Planning Area. The NCT-3 Districts are mixed use districts that support neighborhood-serving Commercial Uses on lower floors and housing above. There is no residential density limit in the NCT-3 Zoning District. Density is regulated by the permitted height and bulk, required setbacks, exposure and open space of each development lot. The site is located in the 85-X height and bulk district.

A project on the site is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. This means that this site could be a high rise with density bonuses. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

Rincon Consulting Inc., conducted a Phase One Environmental Site Assessment in January 2020. Four Recognized Environmental Conditions and one potential environmental concern were identified in connection with the subject property. The Recognized Environmental Conditions are:

- Serpentinite rock containing naturally occurring asbestos ("NOA") underlying the subject property
- Former use of the subject property as a gasoline station, motorcycle repair, used automobile sales, and postage meter manufacturing
- Location of the subject property within a Maher Ordinance Area
- Presence of PCE and benzene exceeding residential ESLs underlying the subject property.
- Potential Environmental Concern - Long term use of a hydraulic elevator onsite. Recommendations are discussed in the ESA

In light of these findings, SCS Engineers (SCS) conducted a limited Phase II study to evaluate the presence of PCE and benzene in the soil vapor underlying the subject property in December 2019. Benzene was detected in three of five soil vapor samples at concentrations above both residential and commercial/industrial land use ESL values. Other fuel-related VOC constituents (toluene, ethylbenzene, and xylenes) were also detected in all or most samples. Each of these constituents, when detected, were below their respective ESLs. Tetrachloroethylene (PCE) was detected in one sample (SV1) at a concentration of 51 μg/m³. The current residential and commercial ESLs for PCE are 15 and 67 μg/m³, respectively. No other VOCs were detected above their respective ESLs or at levels considered significant.

d) *Available Due Diligence Documents*

- Phase I Environmental Site Assessment, 1939 Market Street, San Francisco, California, Rincon Consultants, Inc., January 10, 2020
- SCS Phase II Summary Letter to McMorgan & Company LLC summarizing the results of a Limited Phase II performed at 1939 Market Street in San Francisco, California.
- Due Diligence Report, 1939 Market Street, March 2014, DES Architects and Engineers

C. FAMILY HOUSING

Expectations for Family Housing – In addition to any site-specific expectations identified and which are not inconsistent with overall expectations:

- Serve low-income families (in 1-3-bedroom units) unsubsidized with an income range between 30%-80% MOHCD Unadjusted San Francisco Area Median Income;
- Serve formerly homeless families, in units subsidized by the City's Local Operating Subsidy Program ("LOSP") and a City services contract. The projects should provide 25% of the total number of units as LOSP-subsidized units for formerly homeless families and have a 1:20 case management ratio;
- Set aside at least 5 units (10 units at Pier 70) for referrals from the City's Plus Housing list with rents set at no more than 50% AMI;
- Evaluate the potential for childcare and provide family-friendly amenities appropriate for children.
- Achieve a feasible project within the funding constraints, namely, $250,000 of MOHCD subsidy per unit.
- Maximize the number of target population placements into the Project (COP holders, etc.).

LOSP will be available to units serving formerly homeless families. The LOSP will be administered through a 15-year contract with MOHCD, to cover the difference between tenant-paid rents for LOSP units and operating expenses attributable to LOSP units. LOSP operating subsidy calculations should account for all typical costs of operations, reserves and fees on a pro-rata basis. LOSP subsidies may <u>not</u> be used to pay hard debt service, other than qualified minimal debt service payments for state financing. Applicants offering LOSP units will need to apply for funding for provision of services to these formerly homeless households through the Department of Homelessness and Supportive Housing. Section 8 project based rental assistance is not anticipated to be available at this time.

1. Site Four, 1515 South Van Ness Avenue

a) Background Information

1515 South Van Ness (the "South Van Ness Site") is located on the southern border of San Francisco's Mission District within the Calle 24 Latino Cultural District. The project site is located within Census Tract 6075-022901. This tract has a population of 4,460 persons. According to the 2010 Census, 60% of the tract's population is of Hispanic origin, 24.5% is White, 8% is of Asian origin and 4.5% is African American. Close to 11% of the population is below the age of 10, 6.7% is over the age of 65 and the remainder is between the ages of 11 and 65. According to California Environmental Protection Agency the tract is not a Disadvantaged Community disproportionately subject to multiple sources of pollution. While not a Disadvantaged Community, the tract's residents rank high in other socio-economic characteristics. Close to 58 percent of the population suffers from asthma. Forty percent of the population lives below two times the federal poverty level. 18.5% of residents are linguistically isolated and 30 percent have less than a high school education. The housing burden (percent of households paying more than 50% of income as rent) for the area is high at 17 percent.

The site is within the Calle 24 SUD Special Use District which is intended to preserve the prevailing neighborhood character of the Calle 24 Latino Cultural District while accommodating new uses and recognizing the contributions of the Latino community to the neighborhood and San Francisco.

The high housing burden reflects the advanced gentrification that has occurred in the neighborhood which has put the residents at high risk of displacement. The displacement of neighborhood residents began in earnest in the late 1990's as a result of the dot-com boom in San Francisco. Following the Great Recession of 2008, gentrification fueled more displacement, primarily affecting the area's LatinX population.

Migration from Mexico, Central, and South America to San Francisco accelerated during the post-WWII period, with the Mission District being the primary destination for the new arrivals. Later waves of Latino migrants came to the Mission District from the Southwestern United States, Central California, and Central American countries experiencing political strife in the 1970s and 1980s. Today, the neighborhood's Latino population is concentrated in the southern part of the Mission District and represents a culturally diverse population with roots from all over the Americas.

The South Van Ness Site (Block 6571 Lot 008) is a 35,714 square foot irregularly shaped lot located at the intersection of South Van Ness Avenue and 26th Street in San Francisco, California. The 0.80-acre site currently consists of three separate lots (Block 6571 Lots 1, 1A and 8). The site is bounded by South Van Ness Avenue to the west, 26th Street to the north, Shotwell Street to the east, an existing one-two story commercial building to the southeast (auto repair shops), and an existing one story commercial retail building (auto parts store) to the southwest.

At present, the site is occupied by a two-level commercial building (McMillan Electric) with surface parking and a small strip of landscaping. The parking lots are generally flat accomplished by retaining/building walls along South Van Ness Avenue, 26th Street and the neighboring properties to the south. The site generally slopes to the southeast with street slopes falling southerly along South Van Ness Avenue (approx. 8.0' drop in elevation), easterly along 26th Street (approx. 1.3' drop in elevation), and southerly along Shotwell Street (approx. 9.4' drop in elevation). The ground surface is covered by:

- A 1-story over basement commercial building which houses offices and warehouse (approximately 31,680 +/- sf.
- Narrow landscaping strip along Shotwell Street (475 +/- sf)
- Asphalt paved surface parking lots, drive aisles, and hardscaped surfaces (3,559 +/- sf).

b) Zoning/Land use Entitlements

The existing South Van Ness Site is currently zoned Mission Street Neighborhood Commercial Transit District (NCT). Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. New neighborhood-serving commercial development is encouraged mainly at the ground story. Ground story uses are required to include active commercial uses with storefronts facing the street. While offices and general retail sales uses may locate at the second story of new buildings under certain circumstances, most commercial uses are prohibited above the second story. Continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Residential density in the Mission Street NCT is restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls to the development lot. The Site is split between the 65-X height and bulk district and the 55-X height and bulk district.

A project on the South Van Ness Site is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

A Phase I Environmental Site Assessment for the South Van Ness Site. was prepared by Langan Treadwell Rollo on 27 May 2014. Review of regulatory files revealed one controlled recognized environmental condition (CREC) in connection with the property. There was an underground storage tank (UST) on site that was closed on 24 August 2000. Analytical results collected from soil samples collected during the former UST removal and subsurface investigations revealed the presence of residual petroleum hydrocarbons beneath the east parking lot area. The San Francisco Department of Public Health issued administrative case closure with no additional investigation required in regards to the former UST on 24 August 2000. If any construction and/or excavation activities are to be performed within the sidewalk near the former UST locations, a soil management plan (SMP) and a health and safety (H&S) plan (prepared by others) may be required prior to construction because of the petroleum hydrocarbons detected at the site.

The site is located in a Maher Area per the “Expanded Maher Area, February 2014” map and maybe subject to the provisions of Health Code Article 22A which is administered by the SFDPH.

Asbestos Containing Materials (ACMs) were observed on accessible areas of the building interior, exterior, and roofing. Sampled materials were confirmed to be positive for asbestos content upon laboratory analysis. Samples of painted surfaces and window putty were reported by the laboratory as containing lead above the detection limit of the analytical method.

d) Available Due Diligence Documents

- Feasibility Study
- Geotechnical Investigation
- Lead and Asbestos Survey
- DPH Phase One Approval
- Phase I Environmental Site Assessment for 1515 South Van Ness Ave., prepared by Langan Treadwell Rollo on 27 May 2014
- Tank Closure Report May 2000

2. Site Five, 88 Bluxome Street

a) Background Information

The description of demographic characteristics of this site also applies to the 160 Freelon and the 71 Boardman sites as they are within the same Census Tract, 6075-018000. The Bluxome Street Site is located in the area of SOMA generally referred to as “south of Harrison Street of Western SOMA.” This area roughly bounded by Townsend Street to the south, Fourth Street to the east, Harrison Street to the north and Seventh Street to the west.

Unlike the 967 Mission Street site, which is also in SOMA, the Bluxome Street Site is not designated as a Disadvantaged Community by CalEnviroScreen. Despite the lack of such a designation, the Census Tract exhibits several environmental concerns. It ranks in the 96^{th} and 95^{th} percentiles for proximity to Cleanup sites and hazardous waste sites, respectively. The area is in the 80^{th} percentile for traffic density and the 68^{th} percentile for incidence of asthma. Its proximity to a number of Leaking Underground Storage tanks places it in the 97^{th} percentile for impacts to groundwater. Ten percent of area residents have less than a high school education and 30 percent live below two times the federal poverty level. Eleven percent of the residents are low income persons with severe housing cost burden.

The development history of the site area is much like that of the 967 Mission Street site, except that this area of SOMA had a greater density of heavy industrial uses.

Site Five consists of one lot on the block bounded by Brannan Street to the north, 4th Street to the east, Bluxome Street to the south, and 5th Street to the west. The Bluxome Street Site is rectangular in shape, with plan dimensions of approximately 470 by 235 feet. The site is currently occupied by the San Francisco Tennis Club, a three-story structure with no basement, commonly referred to as the “88 Bluxome/Tennis Club”.

The affordable housing Project will be developed above the podium of the building to be located at the eastern end of the lot. This portion of the lot is approximately 80 feet wide by 240 feet deep. There will be a 30,120 s/f of community/recreation center at the ground floor and a 135,300 s/f relocated Tennis Club facility below-grade. Access to the affordable housing will be from Bluxome Street, through a 4,270 square foot lobby and back of house space dedicated to the Project. The Bluxome Street Site will contain 107 dwelling units, with 20 studios (19%), 42 one-bedroom units (39%), 21 two-bedroom units (20%), and 24 three-bedroom units (24%). There will be no off-street parking proposed. An air rights parcel for the development is to be created prior to close of construction financing.

b) Zoning/Land use Entitlements

The Bluxome Street Site is zoned CMUO (“Central SoMa Mixed-Use Office”) District. This zoning district extends predominantly between 2nd Street and 6th Streets in the South of Market Area. The CMUO is designed to encourage a mix of residential and nonresidential uses, including office, retail, light industrial, arts activities, nighttime entertainment, and tourist hotels. The property is within both the Western SOMA and Central SOMA Planning Areas.

The Bluxome Street Site is also located in the proposed Central SOMA Special Use District (“CS SUD”). This overlay district contains controls that are applied to the Site in addition to those in the CMUO District and address issues such as PDR retention and replacement, urban design and density controls, renewable energy requirements, and controls for specific uses and building features. Residential density in the CMUO District is restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls to the development lot. The site is split between the 200-CS height and bulk district and the 130-CS height and bulk district.

Pursuant to Planning Code Section 329 (d), projects may seek specific exceptions to the provisions of the Code. Included among the exceptions are:

- Exceeding the principally permitted accessory residential parking ratio
- Exception from residential usable open space requirements
- Modification of the horizontal massing breaks required by Section 270
- Exception from satisfaction of loading requirements per Section 152.1
- Exception to height limits for vertical non-habitable architectural
- Exception to volumetric limitations for roof enclosures and screens pursuant to Section 260(b)(1)(F)
- Provision of the required minimum dwelling unit mix, as set forth in Section 207.6, pursuant to the criteria of Section 305(c)
- Exception for rear yards, pursuant to the requirements of Section 134(f);
- Flexible Units: Modification of the accessory use provisions of Section 803.3(b)(1)(c)

A project on the subject property is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

The approximately 2.6-acre site is currently developed with an approximately 288,500-square foot building operated by the San Francisco Tennis Club. The Bluxome Street Site was developed by 1887 (and potentially earlier) with dwellings, a lumber yard, an engine works, a furniture factory, and an oil storage area. Other notable historical operations included a boiler/engine works, various furniture factories, a licorice factory, mill and planning work, and truck parking yard with a motor shop. The Bluxome Street Site was redeveloped for the current tennis club in 1974.

d) Available Due Diligence Documents

- 88 Bluxome Street Project: Land Dedication Project Planning Code Analysis
- Geotechnical Considerations
- Infrastructure Study – Land Density Study

e) Additional City Expectations for Developer of this site

- At least 10 Plus Housing units with rents set no higher than 50% AMI.
- Collaborate effectively with the Master Developer, the Department of Recreation and Parks, the Tennis Club, and MOHCD to ensure the Project is well integrated into the master development.

3. Site Six, Pier 70 First Parcel

a) Background Information

Site Six, Pier 70 First Parcel/C2A (the "Pier 70 Site") is located in Census Tract 6075-022600. Pier 70 is a 69-acre facility under the jurisdiction of the Port of San Francisco. Located on the City's Central Waterfront, the Site has been identified as a future National Historic District due to its long history of continuous operations in shipbuilding and repair, and the role it has played in the industrialization of the Western United States, the war efforts and architectural and engineering feats.

The area attracted early industrial operations because of its cheap land, deep-water access, and isolation from the more populated sections of the fast-growing city. This small cape of land, much enlarged and flattened over the decades, was the home of at least a half dozen major manufacturing and utility companies that played significant roles in the western and national economies, and in military and labor history. The Pier was the site of significant involvement in pivotal 20th century events including WWI Ship Building/ Repair, WWII Ship Building/ Repair, Vietnam War Ship Repair, and fabrication of the BART Transbay Tube.

The Pier 70 Site is located in the Dogpatch neighborhood of San Francisco, long a bastion of the blue-collar working class employed in the area's industries. The neighborhood has undergone substantial gentrification since the 1990s.

The area in which the Pier 70 Site is located is less racially and ethnically diverse than the city overall. The Census Tract has a population that is 75.2 percent White, 9.8 percent Hispanic, 8.9 percent Asian, 2.1 percent Black and 0.2 percent Native American. 84.7 percent of the tract's population is between the ages of 10 and 65, 9.2 percent is over 65 and 6.1 percent is below the age of ten.

Despite its long history as an industrial area, the Census Tract is not designated as a Disadvantaged Community by the California Environmental Protection Agency. However, it is in the 95th percentile for exposure to diesel particulate matter and 30th percentile for proximity to hazardous material sites. Fourteen percent of the tract's residents are lower income with a severe housing cost burden. Five percent of the residents have less than a high school education and five percent are linguistically challenged.

Notwithstanding the census tract's characterization by the California EPA, the development of the Pier itself is subject to implementation of a Risk Management Plan. Remedies for recognized environmental conditions include engineering controls (e.g., removing, replacing, or capping soil with durable cover) and institutional controls (e.g., deed restrictions, soil management measures, health and safety plans) to manage potential health risks.

The remedies include:

- Durable Covers over existing native soil that meet the remedial action objective of preventing human exposure to constituents of concern (COCs) in the soil beneath the Site.
- Long-term maintenance and monitoring of durable covers to ensure that covers continue to function as designed are described further in Appendix A.
- Institutional controls to minimize the potential to impact human health and the environment after installation of durable cover.

The Pier 70 Site will be located on a new segment of Louisiana Street between a new segment of 21st Street and a rebuilt 22nd Street within the Pier 70 Special Use District ("Pier 70 SUD"). The Site is a rectangular-shaped lot of 16,590 square feet. A map showing the location and configuration of the Site is attached as **Exhibit X.**

The Pier 70 Site will continue to be owned by the Port Authority of San Francisco and will be leased to the affordable housing developer through a 75-year (plus 24-year extension) ground lease with MOHCD, as described in a MOU between MOHCD and Port. Maximum rents will be restricted to an average income of 60% Unadjusted San Francisco Area Median Income, as defined by MOHCD.

Under the Disposition and Development Agreement (DDA), the Master Developer is required to complete all horizontal improvements serving the Site with the exception of water laterals (potable, non-potable and fire); delivery of the Site is expected by the end of 2020. The Master Developer anticipates completion of 22nd Street and Louisiana Street in 2020 while 21st Street extension between Illinois Street and Louisiana Street is scheduled for

Phase 2 of the project and the schedule for Irish Hill Park is yet to be determined.

b) Zoning and Land Use Entitlements

Pier 70 Special Use District: Development and use of the Site is regulated by the Pier 70 SUD (Planning Code Section 249.79), the Pier 70 D4D, and the Affordable Housing Plan attached as Exhibit B3 to the Pier 70 DDA. Under the Pier 70 SUD, the Site is predominantly zoned for residential use and has a height limit of 90 feet. Ground floor accessory uses are also permitted (but not required), as shown in Table 249.79(g)(l) of the Pier 70 SUD. Per the Affordable Housing Plan, the maximum amount of parking permitted on the Site is .25 spaces per residential unit.

The Project will be subject to the administrative design review process set forth in Section 249.79(l) of the Pier 70 SUD, which focuses on consistency and compliance of proposed projects with the Pier 70 SUD and D4D. Additionally, the selected Developer will be required to make an informational presentation regarding the consistency of its application with the Pier 70 SUD and D4D to the Port's Central Waterfront Advisory Group.

c) Soil and Environmental Conditions

A preliminary geotechnical investigation of the 28-Acre Site, including the Pier 70 Site, was completed in 2012 by Treadwell & Rollo. The selected Developer will still be required to commission its own geotechnical studies as part of its design and engineering work, but, for purposes of this RFQ, it is assumed that any required mitigation, soil and subsoil conditions on the Site will support a development that complies with the maximum allowable height, bulk and density limitations of the Site's applicable zoning requirements.

A Phase I Environmental Site Assessment for the 28-Acre Site, including the Site, was completed by Geosyntec in 2011. In addition, the Site is covered by a Risk Management Plan ("RMP"), prepared by Treadwell and Rollo in 2013 and approved by the Regional Water Quality Control Board in 2014. The RMP specifies measures to be take prior to, during and post development in order to mitigate risks to human health and the environment posed by hazardous materials along with naturally occurring asbestos in the fill materials and bedrock at the site.

d) Available Due Diligence Documents

- Pier 70 Risk Management Plan, Pier 70 Master Plan Area, San Francisco, California, Prepared For Port of San Francisco, San Francisco, California, 25 July 2013, Project No. 730496301, Treadwell Rollo

e) Design and Development Agreement Exhibit B3 Affordable Housing Plan of Disposition and Development Agreement (Pier 70 28-Acre Site) Additional City Expectations for Developer of this site

- Provide an affordable housing structure containing a minimum of 100 units;
- Serve low-income families (in 1-3 bedroom units, minimum of 50% 2BR or larger) unsubsidized with an income range between 30%-80% MOHCD Unadjusted San Francisco Area Median Income;
- Income average the available and total tax-credit units rent restrictions to no more than 60% MOHCD Unadjusted San Francisco Area Median Income;
- Serve a minimum of 10 households to be referred from MOHCD Plus Housing waitlist in a minimum of 10 units;
- Provide resident services coordinator at ratio of 1:100 units for families and 1:50 units for Plus Housing households paid from operations;
- Collaborate effectively with the Master Developer, the Port of San Francisco ("Port"), and MOHCD to ensure Pier 70 affordable housing is well integrated into the Pier 70 SUD;

f) Other Pier 70 Requirements Applicable to The Project

- *Transportation Management Association*: In order to comply with Mitigation Measure M-AQ-1f of the MMRP, the Project is obligated to participate in a Transportation Management Association ("TMA") to implement and administer a Transportation Demand Management Program ("TDM Program") for the Pier 70 SUD. The goal of the TDM Program is to produce 20% fewer vehicle trips than identified in the Pier 70 FEIR through measures such as resident transit passes, unbundled parking, and a TMA-operated shuttle to regional transit connections. The Project will be responsible for all TMA assessments that may be owing with respect to the Site following the close of escrow. The current estimate for the TMA assessment is $0.55/Residential GSF ($2018) and $0.21/Retail GSF.
- *Workforce Development Plan:* The Project is subject to the Workforce Development Plan, attached to the Pier 70 DDA as Exhibit B4, which includes goals and targets for local hiring and local business enterprise utilization, compliance with the City's First Source Hiring program, and the provision of funding for CityBuild and TechSF job readiness and training programs.
- *Vertical Cooperation Agreement:* Prior to close of escrow, the Selected Developer will be required to enter into a Vertical Cooperation Agreement ("VCA") with the Master Developer. The VCA may include provisions related to (i) sequencing and coordination of infrastructure work as between Horizontal Developer and Vertical Developer, (ii) each party's obligations related to liability for damage

and restoration thereof, and (iii) repaving obligations to the extent of any underground work performed after Horizontal Developer's paving.

- *Building Code and Building Permit Review:* Because the Site is within the Port's jurisdiction, the Project is subject to Port Building Code and the Port will issue all building permits. However, the Port currently anticipates that the City's Department of Building Inspection will review all permit submittals and perform inspections on the Port's behalf.
- *Master CC&R:* All Vertical developments will be subject to Master CC&R as the instrument to collect the TMA assessments described above. No additional Homeowner's Association (HOA) fees will be required.

4. Site Seven, 160 Freelon (598 Brannan)

a) Background Information

See demographic discussion at the 88 Bluxome Street site discussion.

160 Freelon will be the residential component of the 598 Brannan Project, a mixed-use development containing office, PDR/retail, institutional, a public park, and residential uses on an approximately 4.5-acre site in the Central SOMA area, comprised of current lots 45, 50, 51, and 52 in Assessor's Block 3777. The site is bounded by Welsh and Bryant Streets to the north, a mixture of surface parking lots and light industrial-style buildings to the east, Freelon and Brannan Streets to the south, and 5th Street and light industrial-style buildings to the west. The residential component will be located at the center of the project site between Welsh and Freelon streets.

The City conditionally accepted the dedication of the Site for affordable housing development from Brannan & Bryant, LLC, in lieu of jobs-housing linkage fee generated by the Sponsor's principal development project at 598 Brannan Street. Acquisition of the Site by the City is expected to take place concurrent with construction loan closing. The Site is located in an area with elevated pollutant concentrations. Sensitive use buildings, as defined in the Applicability section of the Ordinance, must comply with Health Code Article 38.

b) Zoning and Land Use Entitlement

As part of the recently-adopted Central SOMA Plan, the entire 598 Brannan Project site was rezoned into the Central SOMA Mixed Use Office zoning district and the Central SOMA Special Use District. Residential uses are permitted. Residential density in the CMUO District is restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls to the development lot. The Site is split between the 130-CS, 160-CS and 50-X height and bulk districts.

A project on the subject property is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

c) Soil and Environmental Conditions

Projects that are located on sites with known or suspected soil and/or groundwater contamination are subject to the provisions of Health Code Article 22A, which is administered by the Department of Public Health (DPH). Submittal of the Maher Application to and coordination with DPH may be required. Applicants may contact DPH for assistance.

d) Due Diligence Documents Available

- A Preliminary Geotechnical Information Memorandum was prepared by Rollo and Ridley in September 2016.
- A Phase I Environmental Site Assessment was prepared by Environ for 639 Bryant Street. Recognized Environmental Conditions were identified.
  The site is within a Maher Zone and an application to DPH will be required.

D. SUPPORTIVE HOUSING FOR HOMELESS ADULTS

Respondents seeking to develop supportive housing for homeless adults must be comprised of the following: a non-profit developer (or developers) with experience developing permanent supportive housing in San Francisco or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing permanent supportive housing in San Francisco (the “Developer”); a property manager with experience serving the target population; and a qualified supportive service provider with experience serving the target population. The development team must have demonstrated experience conducting effective community outreach and engagement. These Minimum Qualifications differ from those identified in Section IV.B.1 for those Respondents applying for development of senior and family housing.

The City’s LOSP will be available to units serving formerly homeless adults. The LOSP will be administered through a 15-year contract with MOHCD, to cover the difference between tenant-paid rents for LOSP units and operating expenses attributable to LOSP units. LOSP operating subsidy calculations should account for all typical costs of operations, reserves and fees on a pro-rata basis. LOSP subsidies may <u>not</u> be used to pay hard debt service, other than qualified minimal debt service payments for state financing. Applicants offering LOSP units will need to apply for funding for provision of services to these formerly homeless households through the Department of Homelessness and Supportive Housing. Section 8 project based rental assistance is not anticipated to be available at this time.

Development Program Objectives

- MOHCD and partner agency, Department of Homelessness and Supportive Housing (HSH), intend to target this housing to chronically homeless persons who are prioritized utilizing the newly developed Coordinated Entry System (CES).
- Up to one half of the units would include proposed financing from the State of California No Place Like Home (NPLH) program which targets adults with serious mental illness who are chronically homeless.
- Achieve a feasible project within the funding constraints, namely, $250,000 of MOHCD subsidy per unit.

Expectations for Homeless Housing - In addition to any site-specific expectations identified and which are not inconsistent with overall expectations, MOHCD expects the Respondent team to include:

- At least one community-based non-profit development entity as sole developer or joint-venture partner, defined as a nonprofit organization whose mission includes the development of affordable housing in low income communities, with experience developing housing for formerly homeless adults in San Francisco;
- A property management entity with experience managing housing for formerly homeless adults, preferably in San Francisco;
- A community-based, service-providing entity with experience providing culturally competent services appropriate for formerly homeless adults in a supportive housing context and experience billing to Medi-Cal.

1. Site Eight, 71 Boardman (aka 356 Harriet Street)

a) Background Information

See demographic discussion at the 88 Bluxome Street site description. 71 Boardman Place (the “Boardman Place Site”) (Block 3779 Lot 084) is a 0.2246 acre flat vacant lot generally running north to south extending to Harriet Street and between Bryant and Brannan Streets. The lot is rectangularly shaped and currently improved with a parking lot. The Boardman Place Site is located in an area with elevated pollutant concentrations. Sensitive use buildings must comply with Health Code Article 38.

b) Zoning and Land Use Entitlement

The Service/Arts/Light Industrial (SALI) District is largely comprised of low-scale buildings with production, distribution, and repair uses. The district is designed to protect and facilitate the expansion of existing general commercial, manufacturing, home and business service, and light manufacturing activities, with an emphasis on preserving and expanding arts activities. Nighttime Entertainment is permitted although limited by buffers around RED and RED-MX districts. Residential Uses, Offices, Hotels, and Adult Entertainment uses are not permitted, except that certain Affordable Housing Projects are permitted within the district pursuant to Section 846.24 of the Planning Code, and Accessory Dwelling Units are permitted within the district pursuant to subsection 207(c)(4) of the Planning Code.

Affordable Housing Projects shall be subject to the Use Standards applicable to Residential Uses in the RED-MX District. Residential density in the RED-MX District is restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls to the development lot. The Site is located in the 40/55-X height and bulk district.

A project on the Boardman Place Site is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval. Eligible Supportive Housing projects may also be eligible for ministerial approval pursuant to AB 2162.

c) Soil and Environmental Conditions

Projects that are located on sites with known or suspected soil and/or groundwater contamination are subject to the provisions of Health Code Article 22A, which is administered by the San Francisco Department of Public Health (DPH). Submittal of a Maher Application to and coordination with DPH may be required. Applicants may contact DPH for assistance.

d) Available Due Diligence Documents

To be determined.

2. Site Nine, 725 Harrison Street

a) Background Information

See demographic discussion at the 88 Bluxome Street site description.

Site Nine, 725 Harrison Street (the “Harrison Street Site”) is a portion of the property bounded by Harrison and Perry Streets to the north and south, and adjacent properties and 4th Street and to the east and west. The Site is L shaped and approximately 16,000 s/f in area. Current uses include a parking lot and small outbuildings. The site is adjacent to a freeway. MOHCD conditionally accepted the dedication of a portion of 725 Harrison for affordable housing development from Boston Properties, Inc. (“Sponsor”), as satisfaction of inclusionary housing obligations generated by the Sponsor’s 4th and Harrison Street principal development project, which will be located adjacent to the Site. Acquisition of the Site by the City is expected to take place in 2021.

b) Zoning and Land Use Entitlements

The Harrison Street Site is zoned CMUO (“Central SOMA Mixed-Use Office”) District. This zoning district extends predominantly between 2nd Street and 6th Streets in the South of Market Area. The CMUO is designed to encourage a mix of residential and nonresidential uses, including office, retail, light industrial, arts activities, nighttime entertainment, and tourist hotels. Production, Distribution and Repair Uses (PDR) are acceptable uses for the ground floor. Residential density in the CMUO District is restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls to the development lot. The site is split between the 160-CS and 85-X height and bulk districts.

The Harrison Street Site is also a “Key Site,” as defined in Section 329(e) of the Planning Code, and therefore is eligible for exceptions to Code requirements that aren’t otherwise available to non-Key Sites. The property is within both the East SOMA and Central SOMA Planning Areas.

A project on the subject property is eligible for approval using the State Density Bonus Program, which provides up to 35% additional density, up to three incentives/concessions and unlimited waivers. The project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval. Eligible Supportive Housing projects may also be eligible for ministerial approval pursuant to AB 2162.

c) Soil and Environmental Conditions

Langan, Treadwell Rollo conducted a Phase I Environmental Site Assessment of the Site in February 2014. The assessment revealed evidence of three Recognized Environmental Conditions (RECs) in connection with the subject property:

- The fill material below the Site contains total and soluble lead levels that exceed State of California hazardous waste criteria as well as other residual petroleum hydrocarbons. The fill material below the Site contains State of California hazardous concentrations of soluble lead and residual petroleum hydrocarbons.
- Residual petroleum hydrocarbons exist in the subsurface at the Site due to the Site's past use as automotive repair facilities and the past use of USTs.
- The groundwater contains residual petroleum hydrocarbons which have likely migrated from an adjacent property.

Because hazardous materials were detected at the Site, a soil management plan (SMP) and a health and safety (H&S) plan (prepared by others) most likely would be required prior to construction. The Site is within a Maher Zone.

d) Available Due Diligence Documents

- Langan, Treadwell Rollo conducted a Phase I Environmental Site Assessment of the Site in February 2014
- Cost estimate for soil disposal
- Soil Classification.

V. SELECTION PROCESS, MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the Respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, community development, commercial space development, housing access/marketing, housing and services for homeless households, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring Respondents, at which time Respondents will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After any interviews have been completed, the Selection Panel will meet to determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select a development team and advise the Mayor of this selection. MOHCD staff will then exclusively negotiate a binding contract with the selected team for purposes of the Site's development. If MOHCD staff cannot complete a contract with the selected development team that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with the selected development team, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise a request for qualifications for any Project under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected development team should it be determined that the team lacks representation necessary to the achievement of the goals of the RFQ.

B. MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS

Respondents must meet the following minimum development team characteristics, experience, and capacity requirements in order to qualify to be scored and ranked under this RFQ. For Minimum Qualifications for respondents applying for 100% housing for homeless adults please refer to Sections III.D and IV.C.

Racial Equity Capacity: The proposed Development team must document its capacity to successfully plan, design, and develop racial equity strategies that will lower barriers to obtaining quality affordable housing for communities of color through employment of staff with appropriate experience and capacity, contracted services, and/or collaboration with other organizations. Respondents should submit demographic data of the Boards of Directors of member organizations of the Development Team and of the staff of the various organizations that make up the respondent team.

1. Minimum Development Team Characteristics

The proposed development team must include members able to work with MOHCD to create developments that are responsive to populations disproportionately impacted by systemic racism; implement a culturally competent approach throughout the development process; align the development program with City policies on anti-displacement, racially inclusive communities, and creation of stable housing for vulnerable populations; and create opportunities for Black- and Brown-led developers to be competitive within the RFQ process.

The proposed Development Team must include:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities with experience developing housing for the identified priority populations (such as Certificate of Preference Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households) acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with experience owning housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- A property management entity with experience managing housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- At least one services-providing entity with experience providing services appropriate for the intended target population(s) of each site.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

2. Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Attachment 4 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored but are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.**

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics:

- New construction in either a Type V over I or Type III over I construction type (not a requirement for Minimum Property Manager and Service Provision Experience)
- At least 75 units in size
- Majority multiple-bedrooms, *only for family projects*
- Mixed-use including residential (not a requirement for Minimum Service Provision Experience)
- Affordable to low- and very low-income households[1], formerly homeless residents, families and/or seniors
- Financed with Low-Income Housing Tax Credits.

a. *Minimum Development Experience*:

The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. “Completed” means the Project must have received its Temporary Certificate of Occupancy by the date of the issuance of the RFQ.

For joint venture Developer teams, the experience of the lead entity may suffice for the joint-venture partnership. A signed Memorandum of Understanding or Term Sheet between joint-venture Development partners that outlines roles and responsibilities, proposed ownership structure, etc. must be submitted with the application. Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Finally, the requirement to have served formerly homeless residents may be satisfied in a non- Type V over I or Type III over I building. In such a case, the proposed Developer must provide evidence of

[1] “Low Income” is defined as 60% MOHCD AMI and below. “Extremely Low Income” is defined as 30% MOHCD AMI and below.

having completed a partially Type V over I or Type III over I affordable housing building, and separately, an affordable housing building that serves formerly homeless residents.

b. ***Minimum Ownership Experience*:** The proposed Owner must have owned at least **one** Qualifying Project for at least four years prior to the Submittal Deadline of this RFQ. For purposes of this requirement, the member of the general partner of the tax credit partnership that will own the completed project is the proposed "Owner."

c. ***Minimum Property Management Experience*:** The proposed Property Manager must have managed at least **one** Qualifying Project for at least 24 months.

d. ***Minimum Service Provision Experience*:** The proposed service provider(s) must have at least 36 months experience providing services to low-income family residents, communities of color, homeless persons and/or senior citizens within a Qualifying Project.

Note Regarding Experience: For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the site. Any substitution should be clearly identified in Attachment 4, Qualifying Project Form.

3. Minimum Developer and Owner Capacity Requirements

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

a. ***Financial Capacity:*** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment 5 – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

b. ***Staffing Capacity:*** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment 6 – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

c. ***Asset Management Capacity*****:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner's organizational chart.

d. ***Racial Equity Capacity:*** The proposed Developer must document its capacity to successfully plan, design, and develop racial equity strategy that will lower barriers to obtaining quality affordable housing for communities of color through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. Documentation should include information evidencing the Developer's capacity to achieve the goals of this RFQ (see especially pages 4-5).

- Select partners that are able to work with MOHCD to deploy city resources, tools and expertise to create developments that are responsive to populations disproportionately impacted by systemic racism;
- Ensure that development teams are working within a culturally competent approach through the development process;
- Align each Project with the implementation of City policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations;
- Create opportunities for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development role or as member of development team
- Submit demographic data for the Boards of Directors of each Development Team member and for the staff of each organization represented on the Team.

C. MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS FOR RESPONDENTS APPLYING FOR 100% SUPPORTIVE HOUSING FOR HOMELESS ADULTS

1. Team Member Specific Minimum Requirements

a. **Minimum Developer Requirements -** Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:

- New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 75 units or more

- Development of at least one supportive affordable housing development for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)

- Use of Low-Income Housing Tax Credit financing

For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the RFQ response and must be acceptable to MOHCD.

b. **Minimum Ownership Experience -** The proposed Owner of the Project must have owned at least one supportive formerly homeless project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFQ. In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed “Owner”.

c. **Minimum Property Manager Requirements -** The proposed property manager for the Project must have managed at least three supportive formerly homeless or supportive senior rental projects, including at least one in San Francisco, each for at least 36 months. In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed with Low Income Housing Tax credits.

d. **Minimum Service Provision Requirements -** The proposed service provider(s) must have at least 36 months' experience providing supportive services to formerly homeless adults and/or formerly homeless seniors including case management and comprehensive services for homeless households in a residential setting in San Francisco**.** The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors. The service provider must also have experience with and capacity to bill Medi-Cal.

e. **Other Consultants** – For any Respondent team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

D. SELECTION CRITERIA AND SCORING

All applications that meet the Minimum Experience and Capacity Requirements will be scored and ranked according to the following selection criteria:

	Category	**Points**
A.	**EXPERIENCE:**	**40**
i.	**Developer (12 pts)** ➢ Experience with the following: o Completing projects on time and on budget o Obtaining competitive financing terms o Developing Type V/I or III/I construction o Developing housing for low-income families, seniors, or the homeless ➢ Building community support through outreach ➢ Current staff capacity and experience to take on this project type	
ii.	**Owner (4 pts)** ➢ Track record successfully owning housing financed with Low-Income Housing Tax Credits	

	o Experience owning affordable housing for low-income families, seniors and/or the homeless ➢ Current asset management structure, staffing, and portfolio ➢ Capacity for assuming asset management of an expanded portfolio once the development is complete	
iii.	**Property Manager (8 pts)** ➢ Experience managing property for target populations ➢ Experience achieving high rates of housing retention ➢ Implements low barrier tenant selection policies ➢ Contributes to long-term sustainability of the development ➢ Achieves cost efficiencies in operations	
iv.	**Service Providers (8 pts)** ➢ Experience delivering services to target populations ➢ Experience linking residents to the City's safety net of services ➢ Works with property management to achieve high rates of housing retention ➢ Supports positive outcomes for residents around health and economic mobility ➢ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ➢ Discusses barriers to communities of color accessing quality health care services, employment and educational opportunities	
v.	**Racial Equity Strategy (8 pts)** ➢ Describes level of racial equity awareness ➢ Experience providing housing to COP and neighborhood preference holders ➢ Uses innovative approaches to engagement with COP and neighborhood preference holders ➢ Demonstrates commitment to racially diverse project development teams	

	Proposes a substantive partnership that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations ➢ Demonstrates experience with serving historically excluded communities of color ➢ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing ➢ Describes experience providing access and implementing service delivery strategies to historically excluded communities of color	
B.	**VISION:**	**60**
i.	**Program Concept (20 pts)** ➢ Describes vision for a development program at this site, while best achieving the project goals, and includes: o A residential program and other envisioned uses; o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ➢ Indicates particular groups served by the programs and spaces (tots, children, teens, homeless people, young adults, adults, elderly, disabled etc.). ➢ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing.	
ii.	**Community Engagement Strategy (10 pts)** ➢ Describes community engagement strategy and includes: o The team’s philosophy on community engagement; o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; o Efforts designed to engage all interested community members, including monolingual	

	non-English speaking members of the community; o How the Development Team intends to comply with the City's Language Access Ordinance. ➢ Describes the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ➢ Indicate how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.	
iii.	**Services Delivery Strategy (10 pts)** ➢ Describes the Development Team's services delivery strategy and includes: o The overall service philosophy; o Model for providing any anticipated services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); o The services goals of the proposed vision. ➢ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. ➢ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.	
iv.	**Finance & Cost Containment Approach (10 pts)** ➢ Narration that describes the Development Team's financing approach to the project. ➢ Includes the Team's process for structuring the project and controlling development costs.	

	➢ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing. ➢ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ➢ Do not include proforma financials.	
v.	**Racial Equity Strategy (10 pts)** ➢ Describes proposed resident services program, including the activities or types of services, how they will be provided, and the approach (such as timeline, hours and days of operation, examples, and best practices). ➢ Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods. ➢ Explain how the strategy aligns with the four primary goals of this RFQ set forth in the Introduction.	
	TOTAL POSSIBLE POINTS	**100**

1. Experience

In **no more than five pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the Project. **Describe how the Development Team has implemented lessons learned from past affordable housing experience.** Please note that Respondents are not limited to discussing the Qualifying Project(s).

a. Developer*:* Describe the Developer's track record successfully developing high-quality affordable housing, including supportive housing. In particular, discuss the Developer's experience completing affordable housing development projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families, seniors and homeless people and building community support for mixed use projects (affordable residential with ground floor commercial) through outreach for similar projects. In addition, describe the experience and capacity of current staff to take on a project of this type.

b. ***Owner***: Describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families, seniors or homeless people and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

c. ***Property Manager***: Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families, seniors, homeless persons and communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development, and achieving cost efficiencies in operations.

d. ***Services Provider(s)***: Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families. seniors, homeless persons and communities of color linking residents to the City's safety net of services, working with property management to achieve high rates of housing retention, and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss barriers to communities of color accessing quality health care services, employment and educational opportunities

e. ***Racial Equity Strategy***: The Mayor's Office of Housing and Community Development (MOHCD) recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:

- Understands and communicates that reducing racial inequities is mission critical
- Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
- Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
- Has mechanisms for management accountability for equity, diversity, and inclusion
- Has mechanisms for staff accountability for equity, diversity, and inclusion

- Describes Development Team’s present and future practices to meet MOHCD’s racial equity goals as articulated in the four primary racial equity goals of this RFQ.
- Describes the Developer’s experience with serving historically excluded communities of color.
- Has experience providing access and implementing service delivery strategies to historically excluded communities of color.
- Describes the demonstrated commitment to racially diverse project development teams
- Describes any substantive partnership that is part of the RFQ response that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development role.

2. Vision

In **no more than seven pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team’s vision for the successful development of the Project:

***a. Program concept*:** Describe the Development Team’s vision for a development program at this Site, while best achieving the original project goals (i.e. serve low-income families including a residential program and all other envisioned uses). Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, elderly, disabled, homeless, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. <u>Do not submit architectural drawings; scored responses must be in narrative form only.</u>

b. Community engagement strategy: Describe the Development Team’s community engagement strategy, including the team’s philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team’s approach to achieving entitlements for the project expeditiously and the Team’s approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, including monolingual non-English speaking members of the community and how the Development Team intends to comply with the City’s Language Access Ordinance. In particular address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.

***c. Services delivery strategy*:** Describe the Development Team’s services delivery strategy, including the overall philosophy and model for providing services to targeted populations (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.

d. ***Financing and cost containment approach*:** Describe the Development Team's financing approach to the project, including the Team's process for structuring the project and controlling development costs. Describe any innovative strategies intended to minimize MOHCD's projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. Do not submit a development budget or pro forma. Scored responses must be in narrative form only.

e. Racial Equity Strategy*:* Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy and services delivery strategy and marketing programs. Describe your proposed resident services program, including the activities or types of services, how they will be provided, and your approach (such as timeline, hours and days of operation, examples, and best practices). Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods. Explain how the strategy aligns with the four primary goals of this RFQ set forth in the Introduction.

E. SUBMITTAL REQUIREMENTS OVERVIEW

Using **Attachment 1 – Submittal Checklist**, check boxes of all items that will be submitted. Complete and submit **Attachment 2 - RFQ Registration Form.** All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

1. Minimum Development Team Characteristics

Submit **Attachment 3 - Respondent Description** to document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)

- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

a. **Certificate of Good Standing** from the California Secretary of State
b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.

2. Minimum Development Team Experience

Submit **Attachment 4 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one (1) Qualifying Project for each of the experience categories:

a. **Minimum Development Experience**
b. **Minimum Ownership Experience**
c. **Minimum Property Management Experience**
d. **Minimum Service Provision Experience**
e. **Minimum experience in incorporating principles of racial equity into development, management and service experience**

To demonstrate the minimum required development team experience, each team should submit <u>one</u> project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted. **Qualifying Projects will <u>not</u> be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

3. Minimum Developer and Owner Capacity Requirements

a. **Financial Capacity**
   - Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
   - **Attachment 5 – Financing Terms for Developer's Qualifying Project** to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

b. **Staffing Capacity**
   - Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.

- **Attachment 6 – Projected Staffing Workload Form**, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

c. **Asset Management Capacity**
   - Proposed Owner's recent **Real Estate Owned (REO) schedule,** documenting the number of projects and average number of units/project currently in Owner's asset management portfolio**.**
   - Proposed Owner's current **asset management staffing,** noting job titles, FTEs, and status of each position (filled/vacant)**.**
   - Proposed Owner's **organizational chart**.

d. **Racial Equity Capacity**
   - Demonstrate how developer has met the City's minimum compliance standards for Equal Employment Opportunities on the **Qualifying Project**.

4. Selection Criteria and Scoring

a. **Experience** – Provide written narrative of **no more than five pages** (in Times New Roman font, 12 font size, and 1-inch margins).
b. **Vision** - Provide written narrative of **no more than seven pages** (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed. The two written narratives above will only be the only documents reviewed and scored by the panel.

5. Evidence of Authority

Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this RFQ and, if selected by the City, to enter into negotiations with the City for the long-term lease of the MOHCD Site.

6. Disclosure Form

Submit a completed and signed copy of **Attachment 7 – Disclosures**, which requires any respondent to this RFQ to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

Note Regarding Submittals: Respondents may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

VI. TERMS AND CONDITIONS OF REQUEST FOR QUALIFICATIONS

A. DEVELOPER RESPONSIBILITIES

The Selected Developer will be responsible for all aspects of development of the Site, including but not limited to the following:

- Involving local community stakeholders in the program setting and initial design of the Site.
- Marketing the development to intended target audiences consistent with the four goals of this RFQ, most notably outreach to Black communities historically excluded from quality housing or displaced from their neighborhoods.
- Conducting all appropriate due diligence, investigating and determining conditions of the Site and the suitability of the Site for the proposed Development.
- Securing all required development approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from Federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed Development, including predevelopment, construction and operation.
- Designing and building the Development in a manner that produces a high-quality, enduring living environment.
- Owning, managing, and operating the Development in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the Development, including but not limited to:
    a. Equal Employment Opportunities – The Selected Developer will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential development team members to participate in the Development. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, sponsors should meet with MOHCD and San Francisco Contract Monitoring Division (CMD) staff prior to hiring their development team to develop a plan for such compliance. Although the City's Contract Monitoring Division (CMD) does not require prior approval or monitoring of procedures for selecting the architect for purposes of responding to this RFQ, the architect's Small Business Enterprise (SBE) status will be counted toward the overall Development's procurement goals which will be set at a later date.
    b. Environmental Review - Depending on conditions at the Development Site and on Development plans, the proposed Development will be subject to

review under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA) and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.

c. Accessibility Requirements - Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly-funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco. Units must meet TCAC accessibility requirements, which at the time of RFQ drafting require at least 50% of all units to be adaptable and a minimum of 10% of the units to be accessible, including units for the visually and hearing impaired.
d. Prevailing Wages – This Development will be subject to applicable local, state or federal requirements with regard to labor standards. Developers should take prevailing wage requirements and labor standards into account when seeking estimates for contracted work, especially the cost of construction, and other work to which the requirements apply, and when preparing development budgets overall.
e. Employment and Training – The Selected Developer will be required to work with the CityBuild initiative of the Office of Economic and Workforce Development to comply with local and federal requirements regarding the provision of employment opportunities for local and low-income residents and small businesses during both the development and operation of the Development, including complying with the City's First Source Hiring requirements.
f. Sustainable Design – The Mayor's Office of Housing and Community Development seeks to maximize the overall sustainability of financed projects. The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components.
g. Minimum Insurance Requirements – see Exhibit A – Minimum Insurance Requirements.

B. <u>ERRORS AND OMISSIONS IN RFQ</u>

Respondents are responsible for reviewing all portions of this RFQ. Respondents are to promptly notify MOHCD, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the RFQ. Any such notification should be directed to MOHCD promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

C. ADDENDA TO RFQ

MOHCD may modify the RFQ, prior to the response due date, by issuing written addenda. Addenda will be sent via email to the last known address of each person or firm listed with MOHCD as having received a copy of the RFQ for proposal purposes. MOHCD will make reasonable efforts to notify Respondents in a timely manner of modifications to the RFQ. Notwithstanding this provision, the Respondent shall be responsible for ensuring that its proposal reflects any and all addenda issued by MOHCD prior to the proposal due date regardless of when the proposal is submitted.

D. OBJECTIONS

1. RFQ Terms. If any interested party objects to any provision or legal requirement in this RFQ, such party must provide written notice to MOHCD at mohcdrfq9@sfgov.org setting forth with specificity the grounds for the objection no later than seven (7) calendar days of the date for submitting qualifications (See Section III(A)). Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection to this RFQ.

2. Notice of Non-Responsiveness. A Respondent may object to a determination that its submission of qualifications is non-responsive to this RFQ by delivering written notice to MOHCD setting forth with specificity the grounds for the objection no later than seven (7) calendar days after the date of the written notice to Respondent of MOHCD's determination of non-responsiveness. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

3. Selection of Development Team for Exclusive Negotiations. A Respondent may object to the selected Development Team and MOHCD Director's authorization to proceed with exclusive negotiations with such Development Team by delivering written notice to MOHCD setting forth with specificity the grounds for the objection by no later than seven (7) calendar days after the selected Development Team has been announced and made public by MOHCD. If a Respondent files a timely objection, the MOHCD Director will review such objection and respond in a timely manner, and MOHCD's authorization to enter into exclusive negotiations with the selected Development Team will not be binding until the MOHCD Director denies the objection. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

4. Delivery of Objections. Respondents must submit objections in writing, addressed to the person identified in this RFQ, and delivered to the MOHCD via email at mohcdrfq9@sfgov.org by the dates specified above in order to be

considered. Written objections must be transmitted by email and that will provide written confirmation of the date MOHCD received the objections. If a written objection is delivered by US mail, the Respondent bears the risk of non-delivery by the deadlines specified above.

E. CLAIMS AGAINST MOHCD

No Respondent will obtain by its response to this RFQ, and separately by its response waives, any claim against MOHCD by reason of any or all of the following: any aspect of this RFQ, any part of the selection process, any informalities or defects in the selection process, the rejection of any or all proposals, the acceptance of any proposal, entering into exclusive negotiations, conditioning exclusive negotiations, terminating exclusive negotiations, approval or disapproval of plans or drawings, entering into any transaction documents, the failure to enter into a lease or lease disposition and development agreement, any statements, representations, acts, or omissions of MOHCD, the exercise of any discretion set forth in or concerning any of the above, and any other matters arising out of all or any of the above.

F. SUNSHINE ORDINANCE

In accordance with San Francisco Administrative Code Section 67.24(e), contractors' bids, responses to RFQ's and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

G. RESERVATIONS OF RIGHTS BY THE CITY

1. The issuance of this RFQ and the selection of a developer pursuant to this RFQ are in no way a limitation of the discretion of any City board, commission, department, employee or official with respect to any review or approval required in connection with the proposed Development. The City's selection of a developer is in no way deemed to be the final approval of any Development proposed by the developer.

2. The information in this RFQ is provided solely for the convenience of respondents.

3. The City expressly reserves the right at any time to do waive or correct any defect or technical error in any response or procedure, as part of the RFQ or any subsequent negotiation process; reject any or all responses, without indicating the reasons for such rejection; cancel this RFQ at any time prior to award and reissue a Request for Qualifications; modify or suspend any and all aspects of the selection procedure, the scope of the proposed Development or the required responses, or the processes indicated in this RFQ; request that respondents clarify, supplement or modify the information submitted; extend deadlines for accepting responses, or request amendments to responses after expiration of deadlines; negotiate with any, all or none of the respondents to this RFQ; make a selection based directly on the proposals, or negotiate further with one or more of the respondents; during negotiation, expand or contract the scope of the proposed Development, or otherwise alter the Development concept in order to respond to new information, community or environmental issues; if at any time prior to the execution of binding agreements with the selected Development Team, MOHCD, in its sole discretion, determines that the selected Development Team will be unable to proceed with a timely and feasible Development in accordance with this RFQ or that the agreement will not serve in the City's best interest, MOHCD may terminate negotiations with the selected Development Team and begin negotiations with the next highest ranked Respondent; or determine that no Development will be pursued.

4. The issuance of this RFQ does not obligate the City to pay any costs whatsoever incurred by any respondent, including but not limited to costs incurred in connection with the preparation or presentation of responses or negotiations with the City. Developer teams responding to this RFQ do so at their own expense.

5. The issuance of this RFQ is only an invitation to submit qualifications and does not constitute an agreement by the City that any contract will actually be entered into by the City. This RFQ does not in any way limit the discretion of any City board, commission, employee or official with respect to any review or approval of any aspect of a proposed Development.

6. The City will not approve any ground lease for the Site that would allow for its development until there has been compliance with the California Environmental Quality Act (CEQA), and, as applicable, the National Environmental Protection Act (NEPA). If the proposed Development is found to cause significant adverse impacts, the City reserves absolute discretion to require additional environmental analysis, and to: (a) modify the Development to mitigate significant adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed Development; or (c) reject or proceed with the Development as proposed, depending upon a finding of whether or not the economic and social benefits of the Development

outweigh otherwise unavoidable significant adverse impacts of the Development.

7. The City reserves the right to disqualify any respondent to this RFQ based on any real or apparent conflict of interest that is disclosed by the responses submitted or on the basis of other information available to the City. The City may exercise this right in its sole discretion.

Exhibit A: Minimum Insurance Requirements

1. Developer, Contractors.

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

(b) commercial general liability insurance, with limits no less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Developer is conducting any activity on, alteration or improvement to the Family Site with risk of explosions, collapse, or underground hazards;

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

(d) professional liability insurance of no less than One Million Dollars ($1,000,000) per claim and Two Million Dollars ($2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Developer’s architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers , or surveyors is “Claims made” coverage, Developer shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars ($50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Developer’s officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars ($75,000) each loss, with any deductible not to exceed Five Thousand Dollars ($5,000) each loss, including the City as additional obligee or loss payee;

(f) pollution liability and/or asbestos pollution liability applicable to the work being performed with a limit no less than One Million Dollars ($1,000,000) per claim or occurrence and Two Million Dollars ($2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Family Site coverage. This policy may be provided by the Developer’s contractor, provided that the policy must be “claims made” coverage and Developer must require Developer’s contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance.

Developer must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Developer or its contractor, including coverage in transit and storage off-Family Site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder’s risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Developer or its contractor, including coverage in transit and storage off-Family Site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder’s Risk policy, if the Builder’s Risk policy is issued on a declared-Development basis; and with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Developer as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) (i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Developer or its contractor. For rehabilitation/construction Developments that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the Development receives a Certificate of Substantial Completion.

(ii) (ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Family Site that is used by Developer for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a Developer, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space.

Developer must require that all nonresidential tenants' liability insurance policies include Developer and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Development, Developer must require commercial tenants to maintain insurance as follows:

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

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

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

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

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

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

4. General Requirements.

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

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

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

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

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

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

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

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

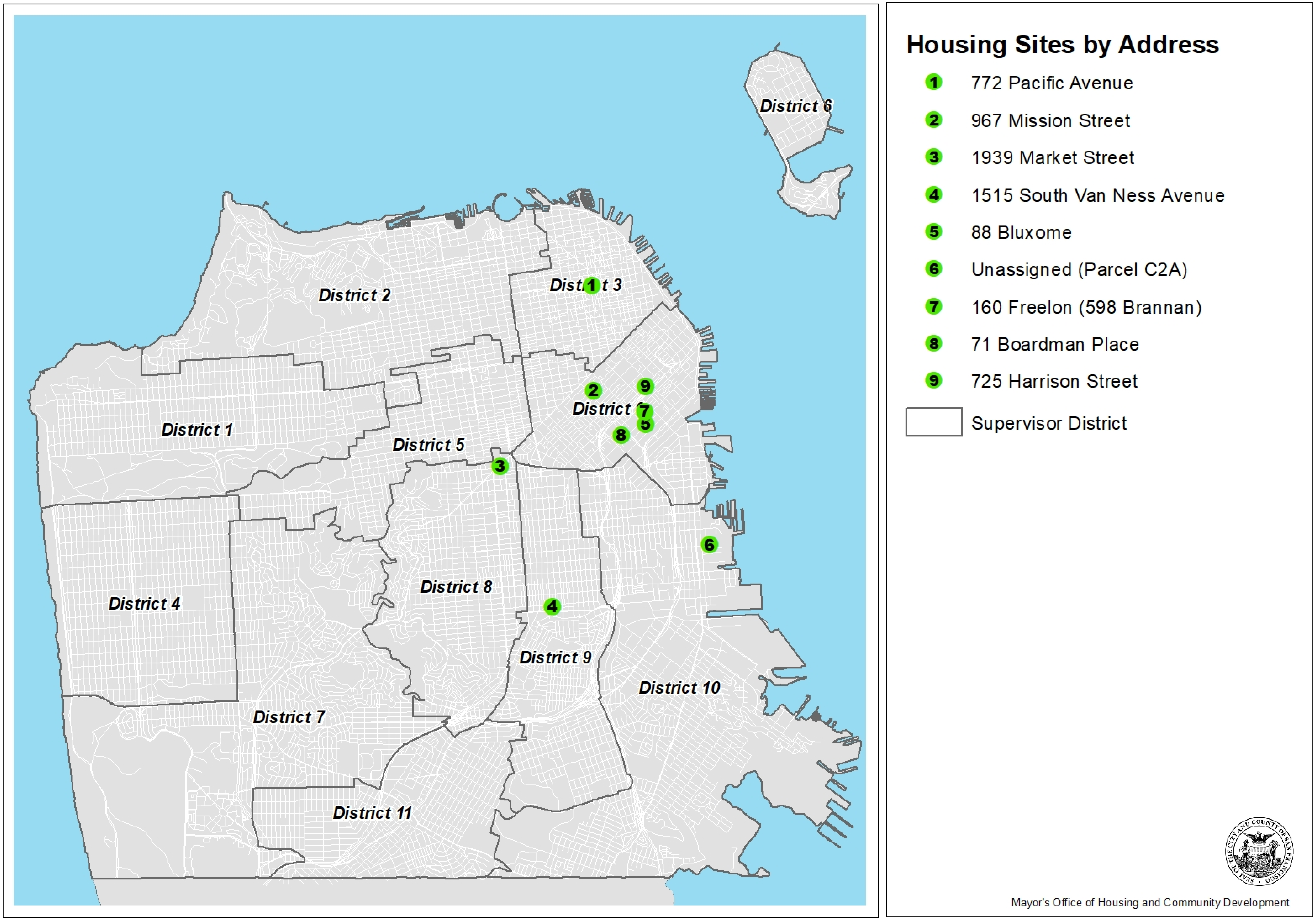
(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after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

(j) Developer must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

VII. APPENDICES

<u>Exhibit 1:</u> Map of the Sites

Please see attached.


Housing Sites by Address
1 772 Pacific Avenue
2 967 Mission Street
3 1939 Market Street
4 1515 South Van Ness Avenue
5 88 Bluxome
6 Unassigned (Parcel C2A)
7 160 Freelon (598 Brannan)
8 71 Boardman Place
9 725 Harrison Street
Supervisor District
District 1
District 2
District 3
District 4
District 5
District 6
District 7
District 8
District 9
District 10
District 11
Mayor's Office of Housing and Community Development

<u>Attachment 1</u>
RFQ Submittal Checklist

See attached spreadsheet.

Multisite RFQ - Submittal Checklist
Attachment 1

Project Sponsor:

Check Box	Tab #	Submittal Requirement	Attachments & Notes
		RFQ Registration Form	Attachment 2 - RFQ Registration Form
☐	1)	Development Team Characteristics	Attachment 3 - Respondent Description
☐	1.a	Certificate of Good Standing	
☐	1.b	Certification of 501(c)(3) status (for nonprofit corporations)	
☐	2)	Minimum Development Team Experience	
☐	2.a	Minimum Development Experience	Attachment 4 - Qualifying Project Form
☐	2.b	Minimum Ownership Experience	Attachment 4 - Qualifying Project Form
☐	2.c	Minimum Property Management Experience	Attachment 4 - Qualifying Project Form
☐	2.d	Minimum Service Provision Experience	Attachment 4 - Qualifying Project Form
☐	3)	Minimum Developer and Owner Capacity Requirements	
☐	3.a	Financial Capacity	Latest (two) 2 years of tax returns or audited financial statements w/ management letters
☐			Attachment 5 - Financing Terms for Developer's Qualifying Project
☐	3.b	Staffing Capacity	Description of Key Staff Experience – written narrative of no more than one page (in Times New Roman font, 12 font size, and 1-inch margins)
☐			Attachment 6 - Projected Staffing Workload Form
☐	3.c	Asset Management Capacity	Proposed Owner's recent Real Estate Owned (REO) schedule
☐			Proposed Owner's Asset Management staffing noting job titles, FTEs, and status of each position
☐			Proposed Owner's organizational chart
☐	3.d	Racial Equity Capacity	Meeting City's minimum compliance standards for Equal Employment Opportunities on Qualifying Project
	4)	Selection Criteria and Scoring	
☐	4.a	Experience	Written narrative of no more than 5 pages (in Times New Roman font, 12 font size, 1-inch margins)
	i.	Developer	
	ii.	Owner	
	iii.	Property Manager	
	iv.	Services Provider	
	v.	Racial Equity Strategy	
☐	4.b	Vision	Written narrative of no more than 7 pages (in Times New Roman font, 12 font size, 1-inch margins)
	i.	Program Concept	
	ii.	Community Engagement Strategy	
	iii.	Services Delivery Strategy	
☐	iv.	Financing and Cost Containment Approach	
	v.	Racial Equity Strategy	
☐	5)	Evidence of Authority	Certified corporate resolution
☐	6)	Signed Disclosure Form	Attachment 7 - Disclosures

Attachment 2
RFQ Registration Form

See attached. Submit one per organization.

MOHCD Multisite RFQ

Attachment 2

RFQ Registration Form

Name of Organization ____________________

Address ____________________

Contact Person ____________________

Phone: ____________________

Email: ____________________

<u>Attachment 3</u>
Respondent Description

See attached document.

ATTACHMENT 3: MOHCD MULTISITE RFQ RESPONDENT DESCRIPTION

A1. Developer Information

Name of Lead Developer:	
Director:	
Phone/email address:	
Primary Contact person:	
Phone/email address:	

A2. Co-Developer Information (if applicable)

Name of Co-Developer:	
Director:	
Phone/email address:	
Primary Contact person:	
Phone/email address:	

A3. Development Consultant Information (if applicable)

Name of Consultant:	
Phone/email address:	
Primary Contact person:	
Phone/email address:	

B. Owner Information (if different than above)

Name of Owner:	
Director:	
Phone/email address:	
Primary Contact person:	
Phone/email address:	

C. Property Manager Information

Name of Management Company:	
Address:	
Director:	
Phone/email address:	
Primary Contact Person:	
Phone/email address:	

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form must be submitted along with all other proposal materials as described in the RFQ.

D1. Service Provider Information

Name of Service Provider:	
Address:	
Director:	
Phone/email address:	
Primary Contact Person:	
Phone/email address:	

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form must be submitted along with all other proposal materials as described in the RFQ.

Attachment 4
Qualifying Project Form

See attached document.

MOHCD MULTISITE RFQ

ATTACHMENT 4: QUALIFYING PROJECT FORM

<table>
<tr><td>Experience Categories (circle which applies to this form)</td><td>a. Development
b. Ownership
c. Property Management
d. Service Provision</td></tr>
<tr><td>Project Name and Address</td><td></td></tr>
<tr><td>Developer Name</td><td></td></tr>
<tr><td>Developer Role(s) (i.e. managing partner, limited partner, consultant, etc; identify if joint-venture)</td><td></td></tr>
<tr><td>Project Type (i.e. new construction, rehabilitation)</td><td></td></tr>
<tr><td>Construction Dates (indicate construction start and completion year)</td><td></td></tr>
<tr><td>Construction Type(s) (indicate material, i.e. wood, steel, etc)</td><td></td></tr>
<tr><td>Total Number of Residential Units</td><td></td></tr>
<tr><td>Unit Mix (i.e. # of studios, 1-Bdrms, etc; <u>most restricted</u> Area Median Income breakdown, average affordability level)</td><td>
<table>
<tr><td>Unit Type</td><td>< 30% AMI</td><td>40% AMI</td><td>50% AMI</td><td>60% AMI</td></tr>
<tr><td>Studio</td><td></td><td></td><td></td><td></td></tr>
<tr><td>1-br</td><td></td><td></td><td></td><td></td></tr>
<tr><td>2-br</td><td></td><td></td><td></td><td></td></tr>
<tr><td>3-br</td><td></td><td></td><td></td><td></td></tr>
</table>
Total Number of Units: _____________
Average Affordability Level: _____________</td></tr>
<tr><td>Population Breakdown (i.e. Family Rental, Senior Rental, Supportive Housing)</td><td></td></tr>
<tr><td>Amenities Included (i.e. community room, front desk, laundry, resident courtyards)</td><td></td></tr>
<tr><td>Total Residential Square Footage</td><td></td></tr>
<tr><td>Total Square Footage of Commercial Area and Use, if any</td><td></td></tr>
<tr><td>Summary of Financing Sources (indicate construction and</td><td></td></tr>
</table>

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form however must be submitted along with all other proposal materials as described in the RFQ.

permanent financing sources and amounts)	
Total Development Cost (include per unit and per square foot cost)	
Government Affordable Housing Program Involvement (briefly describe)	
Budget/Schedule Variance (describe any variance from budget and schedule approved at construction start; explain amount, length of time, reasons and source of funds to cover additional costs)	

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form however must be submitted along with all other proposal materials as described in the RFQ.

Attachment 5
Financing Terms for Developer's Qualifying Project

See attached document.

ATTACHMENT 5: FINANCING TERMS FOR DEVELOPER'S QUALIFYING PROJECT (submitted under Minimum Developer Experience)

Project Name: **Construction Loan/L.P. Closing Date:**
Joint Venture (circle Y or N, if applicable): Y or N

CONSTRUCTION LENDER NAME	
Loan Amount	
Construction Loan Rate	
Term	
PERMANENT LENDER NAME	
Loan Amount	
Permanent Rate	
Term/Amortization	
Lender's Fees & Requirements:	
Debt Service Coverage Ratio (DSCR)	
Replacement Reserves (per unit annum)	
Operating Reserves	
Conversion Requirements	
Other Conditions	
TAX CREDIT INVESTOR NAME	
Total Investor Contribution and Amount/Credit	
Capital Contribution Schedule (include timing & amount):	
Construction Closing	
During Construction (describe timing)	
At Conversion	
Other	
Final	
Investor's Fees & Requirements:	
Guarantor(s)	
Asset Management Fee	
General Partner Management Fee	
Incentive Management Fee	
Replacement Reserves (per unit annum)	

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form however must be submitted as a hard copy along with all other proposal materials as outlined in the RFQ.

Operating Reserves	
Credit Adjuster and Timing Adjuster Requirements	
Other Conditions	

NOTE: This form will be posted along with the RFQ on the MOHCD website and can be downloaded and filled out electronically. The completed form however must be submitted as a hard copy along with all other proposal materials as outlined in the RFQ.

Attachment 6
Projected Staffing Workload Form

See attached spreadsheet.

ATTACHMENT 6 - PROJECTED STAFFING WORKLOAD FORM

PROJECTED STAFFING WORKLOAD

Please complete this form for Developer and Co-developer Add additional lines and/or columns if necessary.
List and identify all work assignments (existing or contemplated) associated with each staff person expected to work on the identified project from the beginning of predevelopment to start of construction.
Estimate the percentage FTE each person is expected to dedicate to each Project Assignment or other task

DEVELOPER (Name):			***Development Project Assignments (% FTE for each assignment) - must identify all projects***				***Other Assignments***	
Staff person Name	**Position Title**	**Total FTE %**						
		0%						
		0%						
		0%						
		0%						

CO-DEVELOPER (Name):			***Development Project Assignments (% FTE for each assignment) - must identify all projects***				***Other Assignments***	
Staff person Name	**Position Title**	**Total FTE %**						
		0%						
		0%						
		0%						
		0%						

NOTE: This form will be available along with the RFQ on the MOHCD website and can be downloaded and filled out electronically.
However, the completed form must be submitted along with all other proposal materials as outlined in the RFQ.

Attachment 7
Disclosures

Instructions: *Please respond completely to each question below. If the Respondent*[i] *is an individual, then the information relative to that individual should be disclosed. If the Respondent is a group or joint venture, then information relative to* _each_ *member of the group or entities that comprise the joint venture should be disclosed. If the Respondent is a corporation, then the information relative to the corporation should be disclosed.*

1. Has Respondent ever defaulted on a loan or other financial obligation? This includes all affiliate corporations and partnerships in which Respondent is or was a general partner. If so, please describe the circumstances including dates and current status:

2. Are there any prior or pending legal proceedings, actions, convictions or judgments that have been filed against Respondent or its wholly owned subsidiaries, or any prior or pending arbitrations or mediations? If so, provide dates the complaints were filed and the present status of the litigation or the status of the arbitrations or mediations:

3. Are there any prior or pending administrative complaints/hearings against or any debarment or suspensions of or other administrative determinations by any federal, state or local government entity relating to Respondent, against any of Respondent's affiliated corporations or partnerships in which Respondent is a general partner, or other business entity? If so, please describe the circumstances including dates, agency or body conducting the investigation or inquiry and the current status:

4. Has Respondent or its wholly owned subsidiaries ever filed for bankruptcy? Please include dates and jurisdiction of filing, the reason, and current status:

5. Describe any business, property, gifts, loans, investments or other financial relationships Respondent, or its individual principals, corporation, LLC, LLP, affiliated corporations or partnerships in which Respondent is a general partner, may have with any senior staff of the Mayor's Office of Housing and Community Development (MOHCD) or any member of the Citywide Affordable Housing Loan

Committee or his/her immediate family which are considered a financial interest as defined by Section 87103 of the Fair Political Practices Act.[ii]

Respondent hereby certifies under penalty of perjury under the laws of the State of California that all information provided in this Disclosure questionnaire is true and correct.

Date: ______________ Signed: _________________________________

[ii] For the purposes of this RFP, the term "Respondent" shall mean the respondent to this RFP regardless of legal form. Thus Respondent applies to individuals, sole proprietorships, joint ventures, unincorporated associations, partnerships, LLCs, LLPs, corporations (whether for profit, nonprofit, California or out of state) and any other entity legally entitled to do business in the State of California.

[ii] In summary Government Code Section 87100 requires any public officials participating in making decisions to refrain from using their official position to influence a governmental decision in which they know or has reason to know they have a financial interest. Section 87103 defines a financial interest as one that has a material, financial effect on the official or a member of their immediate family as follows: business interest – over $2,000; real property interest – over $2,000; other source of income within 12 months before the decision – over $500; gift or intermediary for donor of gift within 12 months - $250; business entity in which the official is a director, officer, partner, trustee, employee or holds a position of management. See Government Code Section 87103 for the complete definition.

London N. Breed
Mayor

Eric D. Shaw
Director

June 11, 2021

Malcolm Yeung
Executive Director
Chinatown Community Development Center
myeung@chinatowncdc.org
Sent Electronically

Re: Notice of Award – 2020 Multisite RFQ Site 1, 772 Pacific Avenue

Dear Malcolm Yeung:

Congratulations! Your development team has been selected by the Mayor to assist the City develop the affordable housing project at 772 Pacific Avenue (Site 1) included in the 2020 Multisite RFQ procurement.

On November 30, 2020, MOHCD issued the 2020 Multisite Request For Qualifications (RFQ) to develop affordable housing on nine sites in San Francisco. Sixteen unique developer teams responded, submitting 24 responses. Developer team selections were the result of a competitive process evaluated by a selection panel made up of two community members and 11 city staff representatives with expertise in affordable housing. Sites where the highest two scores were within four points of each another (out of 100 points possible) were further evaluated resulting in the final development team recommendations.

<u>Next Steps, Goals and Expectations</u>.

This letter provides the basic framework for next steps in planning and developing the site, reiterates goals and objectives, and relays expectations for both the affordable housing project and for the development team.

The nine sites will be developed in two cohorts (see chart). Completion of projects will depend on availability of local funding and competitiveness for CDLAC/TCAC funding.

Anticipated Development Timeline:

- 2-3 Years for predevelopment
- 2 years to build
- Occupancy in 4-5 years

The next step will be for MOHCD to assign a project manager, who will schedule the initial project kick off meeting. When this meeting occurs will depend on which cohort your site is in.

Development Cohorts with anticipated start and completion targets:

Cohort 1	Cohort 2
Planning and development begins Summer, 2021	Planning and development start dependent on funding
772 Pacific (Senior) 1939 Market (Senior) 88 Bluxome (Family) 160 Freelon (Family) 1515 South Van Ness (Family)	967 Mission (Senior) 71 Boardman/356 Harriet (PSH) 725 Harrison (PSH) Pier 70 C2A (Family)
Anticipated completion approximately 2025	Anticipated completion to be determined

Project site in Cohort 1 are expected to move forward into planning and development in the next six months, while sites in Cohort 2 will begin once funding is identified.

<u>Goals, Objectives, Expectations for the Projects</u>

772 Pacific is not expected to qualify for ministerial approvals through SB35 because the site is the location of a legacy business. Development is anticipated to utilize the State Density Bonus Program or the Affordable Housing Density Bonus Program.

Overarching goals for the projects and development teams:

- Provide stable, safe, permanently affordable rental housing for the envisioned target population(s) to help address San Francisco's affordable housing crisis (target populations: seniors, families, HIV positive households and households experiencing homelessness),
- Achieve meaningful cost saving and reductions through efficiencies in planning and development, cost saving in construction, and long-term operational performance of the building(s),
- Support smaller local non-profit organizations especially Black, Brown, Indigenous and other people of color (BIPOC)-led organizations gain experience in housing development leadership roles,
- Proactively address the goals for housing and for building organizational capacity in an open and collaborative manner with other organizations and the city,

- Collaborate and participate in organized group processes that might be coordinated and led by MOHCD; sites in each cohort will be developed in a collaborative manner with development teams interacting and coordinating to support and advance all sites in the cohort to completion,
- Lead with cultural competency reflective of the local neighborhood and historical context,
- Address and respond to the current high cost of housing development in San Francisco through innovative and meaningful near and long-term cost reductions and containment, and
- Attract new forms of capital by developing, or supporting the development of, new partnerships with philanthropic and other giving mission-driven organizations.

MOHCD envisions that development teams within each cohort will collaborate and coordinate with one another throughout the planning and development phases, ensuring that ideas and new approaches to achieving the project goals collectively inform efficiencies and innovations for real cost savings and capacity building across the cohort, while delivering expected levels of housing and services for the community.

Pending underwriting and approval by the Citywide Affordable Housing Loan Committee, the MOHCD commitment to each site is a ground lease on the City-owned land and a portion of the funding necessary to complete the project. MOHCD's principal funding sources include inclusionary housing fees, jobs housing linkage fees, and 2019 Affordable Housing GO Bonds. Insofar as inclusionary fees are not collected due to deferrals or delays, MOHCD will seek to support completion of the predevelopment phases of the projects. Development teams, however, should expect to identify additional sources of funding in order to maximize leveraging of MOHCD funds and land in the project.

To support development teams meet their goals and the goals for their project, MOHCD will create a communication framework to promote collaboration and sharing among all teams in the cohort. The framework may include both group meetings and coordination, and specific development team to development team meetings. MOHCD will:

- Support teams to deploy City resources, tools and expertise to create great projects, while being responsive to populations disproportionately impacted by systemic racism,
- Align each project with the implementation of city policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations, and
- Support development teams work within a culturally competent approach through the development process.

While MOHCD envisions many opportunities to collaborate, we also recognize each site and project is unique and must include specific and focused community engagement to realize. MOHCD will partner individually with each development team to create and refine an engagement plan to address specific site and project needs and community expectations, and will tailor support to engagement efforts with the community and city leadership as needed.

Again, congratulations and we look forward to working with your team. A MOHCD project manager will be in touch to set up the project kick off meeting. In the meantime, if you have any questions, please reach out to Mara Blitzer at 415-350-7831 (mobile office) or mara.blitzer@sfgov.org.

Sincerely,

Eric D. Shaw
Director

正埠 陳穎川總堂 金山

Chin Wing Chuen Benevolent Association, Inc.

815 CLAY STREET

SAN FRANCISCO, CALIFORNIA. U.S.A. Phone 397-0653

第 頁

敬啟者：駿馬奔騰迎春接福！新亞洲大酒樓重開新業之日，華埠更是興旺安全之期。

新亞洲大酒樓在華埠中心地域，歷史悠久，享有崇高信譽及口碑。中外喜愛飲茶，品嚐精美點心佳餚歡聚首選之酒樓。華裔社團每年春茗，各項慶壽歡活動，新亞洲大酒樓當然不讓！

為振興、發展華埠經濟，發揚中華傳統文化，團結華僑凝聚力。本公所及陳穎川總堂，極力推崇，盡最大努力，最快進程將新亞洲大酒樓建成開業，早日完華人萬眾期待，夢寐以求，朝思暮想的新家園！此

致

三藩市至孝篤親公所

陳穎川總堂 仝敬

××.1.二0 年 月

三藩市至孝篤親公所 U.S.A. GEE HOW OAK TIN ASSOCIATION OF SAN FRANCISCO

正埠 陳穎川總堂 金山

CHIN WING CHUEN BENEVOLENT ASS'N, INC.

815 CLAY STREET

SAN FRANCISCO, CALIFORNIA, U.S.A.

(Translation of the letter submitted by the Chin Wing Chuen Benevolent Association)

To Whom It May Concern:

Galloping Horses Welcome Spring and Blessings

The reopening of the New Asia Restaurant marks a new era of prosperity and security for Chinatown.

Located in the heart of Chinatown, the New Asia Restaurant boasts a long history and enjoys a prestigious reputation. It is the preferred restaurant for both Chinese and foreign enthusiasts to enjoy tea, exquisite dim sum, and fine dining.

The New Asia Restaurant is always a regular fixture at the annual Chinese community spring banquets and various charity fundraising events!

To revitalize Chinatown's economy, promote traditional Chinese culture, and strengthen the unity of the overseas Chinese community, our association and the Chin Wing Chuen Benevolent Association strongly urge the City to make every effort to expedite the construction and opening of the New Asia Restaurant. May this new vision, long anticipated and dreamed of by the Chinese community, be realized as soon as possible.

Respectfully submitted,

Chin Wing Chuen Benevolent Association

February 16, 2026

COMMUNITY YOUTH CENTER

Richmond
980 Clement Street
San Francisco, CA 94118
PHONE: (415) 775-2636
319 6th Avenue, Suite 201
San Francisco, CA 94118
PHONE: (415) 752-9675

Bayview
5009 3rd Street
San Francisco, CA 94124
PHONE: (415) 550-1151

Chinatown
830 Sacramento Street
San Francisco, CA 94108
PHONE: (415) 988-1862

Excelsior
35 San Juan Avenue
San Francisco, CA 94112
PHONE: (415) 349-4867

Tenderloin
1038 Post Street
San Francisco, CA 94109
PHONE: (415) 775-2636
FAX: (415) 775-1345

WEB: www.cycsf.org
EMAIL: cyc@cycsf.org

February 16, 2026

Robert Baca
Joint Development Director
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue
San Francisco, CA 94103

Dear Mr. Baca:

On behalf of the Community Youth Center of San Francisco (CYC), I am pleased to recognize the lasting impact of New Asia Restaurant and its owner, Mr. Hon So, on Chinatown and San Francisco's cultural life.

For decades, New Asia Restaurant was a cornerstone of Chinatown, hosting hundreds of guests for weddings, banquets, fundraisers, and celebrations. As one of the last large banquet venues, it played a vital role in sustaining community traditions and civic life.

As a San Francisco Legacy Business, New Asia Restaurant was recognized for its longstanding service, cultural significance, and deep ties to residents, workers, and community institutions. Its dim sum service and banquet operations were more than commercial enterprises; they were communal rituals that anchored neighborhood identity. At a time when rising costs and shifting economic pressures led to the closure of many historic banquet spaces, New Asia remained a steadfast venue where families and organizations could gather at scale.

Mr. So's leadership reflected true civic commitment. He provided jobs and ensured community groups—especially those serving seniors, youth, and immigrants—had a welcoming space for important events. His efforts helped sustain Chinatown's banquet traditions.

CYC is grateful to honor New Asia Restaurant and Mr. So for their decades of service to Chinatown and San Francisco. Their contributions are an enduring part of the neighborhood's living history.

Sincerely,

Sarah Wan
Executive Director

[Amendments to Real Property Leases - Forgive Tenant Rent During COVID-19 Pandemic]

Ordinance authorizing the City Administrator to amend certain leases and forgive rent due between April 2020 and December 2020 with nonresidential tenants, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, in order to allow for expeditious rent forgiveness necessitated by the financial hardship caused by the public health emergency related to the COVID-19 pandemic~~; authorizing the City Administrator to further amend leases and forgive rent due between January 2021 and June 2021, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, without further Board of Supervisors approval under Charter, Section 9.118 and Administrative Code Chapter 23~~**.**

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

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

Section 1. Findings and Purpose.

(a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in response to the spread of the novel coronavirus 2019 or COVID19. On March 3, 2020, the Board of Supervisors concurred in the February 25th Proclamation and in the actions taken by the Mayor to meet the emergency.

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(b) To mitigate the spread of COVID19, on March 16, 2020, the Local Health Officer issued Order No. C19-07 generally requiring individuals to stay in their homes ("Shelter in Place"), and requiring businesses to cease many non-essential operations at physical locations in the City and County of San Francisco. The Health Officer's Order continues to be updated and revised to address public health issues presented by the pandemic. The Health Order, as amended, still does not allow for certain businesses to resume normal operations at this time or for the foreseeable future.

(c) The COVID-19 pandemic has caused, and will likely continue to cause, abrupt and serious impacts on the local economy, on the operations of local businesses and nonprofit organizations, and on the job security of employees. Many of the affected businesses and other entities, including City Administrator Office's Real Estate Division tenants, are experiencing significant operating deficits and hardships in paying rent for a variety of reasons, including reductions in income due to lower customer demand, required closures, or limits on full-scale operations. Many of these entities face unprecedented challenges to remain financially solvent during the public health emergency. These difficulties cascade beyond the operators to their employees, whose jobs may be eliminated or hours cut due to the reduced customer demand or required closures or limitations on full-scale operations.

(d) The City Administrator's Office, Real Estate Division, leases space in City owned buildings to dozens of tenants for a variety of business and recreational uses. In response to the severe economic impacts on these tenants, on March 27, 2020, the City Administrator issued a Memorandum, "City Policy Regarding Enforcement of Certain Tenant Lease Obligations by City Departments from March 17, 2020 through April 30, 2020 ("Policy")", which was updated on June 1, 2020 to extend the Policy through December 31, 2020, allowing City departments to (i) waive all late charges, default interest and associated penalties and fees for any delinquent rent payments that were or are due for use of City property within San Francisco City limits due to the impact of COVID-19, (ii) provide resumption of normal timely rent payments on January 1, 2021, and (iii) payment of any rent arrearages (including March 2020 – December 2020) in full no later than June 30, 2021.

(e) The City Administrator has determined that rent forgiveness, not just rent deferral, is necessary to maintain rent revenues in the long-term, facilitate at-risk businesses and nonprofit corporations to reopen when the Health Orders allow, and to continue to provide the City with much needed entertainment, art, culture and small business services and materials. Unlike rent deferral, which changes the timing of rent payments that are due under a lease but does not change the lease terms, rent forgiveness reduces or eliminates rent payments that are due.

(f) Administrative Code Section 23, and Charter Section 9.118, requires the Board of Supervisors to review and approve certain leases and amendments to those leases. A change in the rent amount, including rent forgiveness, would require Board of Supervisors approval under subsection (c) of Charter Section 9.118 and section 23.30 of Chapter 23.

(g) The City has over the years adopted a number of Administrative Code and Environment Code ordinances the requirements of which must be included in new leases or amendments of existing leases entered by City agencies. To require tenants to comply with certain ordinances enacted after execution of the tenant's lease or, if applicable, the most recent amendment of the lease, as a condition of entering into a new lease or a lease amendment to qualify for rent forgiveness, would likely impose costs that further impede a tenant's survival and frustrate the purpose of providing relief to ensure a tenant's ability to sustain operations through this challenging period.

~~(h) By waiving the requirement of Board of Supervisors approval of future lease amendments regarding rent forgiveness between January 1, 2021 through June 30, 2021 and~~

~~also waiving Administrative Code and Environment Code requirements, if any, imposed on leases and lease amendments when said requirements were enacted after execution of the tenant's lease, or if applicable, most recent lease amendment, this ordinance will increase the chances that a tenant will be able to effectively sustain operations or reopen, thereby avoid the cascade of negative impacts to the City, the tenant and the tenant's employees, if rent forgiveness is denied or delayed.~~

Section 2. Definitions.

For the purposes of this ordinance:

"Administrative Code and Environment Code Requirements" shall mean the requirements of those Codes that are required to be included in Leases. These requirements include the following provisions of the Administrative Code: Section 4.1-3 (All-Gender Toilet Facilities); Section 4.9-1© (Vending Machines; Nutritional Standards and Calorie Labeling Requirements; Offerings); Section 4.20 (Tobacco Product And Alcoholic Beverage Advertising Prohibition); Chapters 12B and 12C (Nondiscrimination in Contracts and Property Contracts); Section 12F (MacBride Principles—Northern Ireland); Chapter 12K (Salary History); Chapter 12Q (Health Care Accountability); Chapter 12T (Criminal History in Hiring and Employment Decisions); Chapter 21C (Miscellaneous Prevailing Wage Requirements); Sections 23.50-23.56 (Labor Representation Procedures In Hotel And Restaurant Developments); Section 23.61 (Prevailing Wage and Apprenticeship Requirements and Local Hire Requirements); and Sections 83.1 et seq. (First Source Hiring Program).

Further, these requirements include the following provisions of the Environment Code: Chapter 3 (Restrictions on Use of Pesticides); Sections 802(b) and 803(b) (Tropical Hardwood and Virgin Redwood Ban); Chapter 13 (Preservative-Treated Wood Containing Arsenic); and Chapter 16 (Food Service and Packaging Waste Reduction Ordinance). The listing in the two preceding sentences of specific requirements in the Administrative Code and Environment

Code is not necessarily an exhaustive list; this definition of “Administrative Code and Environment Code Requirements” is intended to include all requirements of those Codes that are required to be included in Leases.

“CARES Act” means the federal Coronavirus Aid, Relief, and Economic Security Act enacted on March 27, 2020.

“Lease” means a lease or other means of granting a right to occupy or use real property, and shall also include a license, permit to enter, use permit, or other similar instrument.

“Payroll Costs” shall have the same meaning as “payroll costs” under the CARES Act.

Section 3. Leases.

(a) New Asia Restaurant.

(1) On or about June 28, 2017, the City and County of San Francisco, Mayor’s Office of Housing and Community Development, purchased 772 Pacific Avenue for development of affordable housing.

(2) At that time, the City was assigned the existing lease for the New Asia Restaurant located on the ground floor. The New Asia Restaurant is one of the few banquet locations in the District and has been a staple in the area for almost two decades. It leases the space for $22,500 per month and its lease expires December 31, 2021.

(3) The New Asia Restaurant has been closed since the middle of March 2020 and has accepted a rent deferral plan and will owe the City $202,500 as of December 2020. However, with the continued Health Orders requiring closure and/or limited seating/outdoor seating (which is physically impossible at this location), the New Asia Restaurant has basically been closed since the pandemic commenced and with

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difficulties in continuing to employ its 200 employees, believes it will remain closed for the foreseeable future.

(b) New Conservatory Theatre Center.

(1) The Real Estate Division currently leases the Lower Level of 25 Van Ness Avenue (Assessor's Parcel No. 0834, Lot No. 004), in the City and County of San Francisco, to The New Conservatory Theatre Center, a California non-profit corporation ("NCTC" or "Tenant"), who has been leasing the lower level of 25 Van Ness and providing quality live entertainment since 1984.

(2) On October 20, 2018, the Mayor and Board of Supervisors approved Resolution No. 327-18, on file with the Clerk of the Board of Supervisors in File No. 180769, extending the Lease through September 30, 2023.

(3) Having received funds from the federal CARES Act, NCTC has been able to pay rent since March 2020 through August 2020 during the pandemic and was in compliance with its Lease and all lease provisions until September 1, 2020, when the Director of Property granted a rent deferral per the City Administrator's March 27, 2020 memorandum.

(4) NCTC has been closed since March 2020 due to the Health Orders and remains closed at this time and for the foreseeable future. It will owe the City $32,723.92 as of December 2020.

(5) A term of NCTC's Rent Deferral Agreement is that should it receive further federal aid for rent from the CARES Act or similar legislation, it will commence rent payments immediately to the extent and amount received even if it remains closed due to the City's Health Orders.

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(c) Pop-Up Restaurant - Stephen M. Paoli.

(1) On May 4, 2018, the City purchased a building at 11th Street and Natoma ultimately for recreation and park purposes.

(2) The City was assigned several existing leases including a ground floor lease with Stephen M. Paoli that operates a “pop-up” restaurant. The lease terminates in June 2021.

(3) Mr. Paoli’s business has been closed since March 2020. He has one employee in addition to himself. This business is his only source of income. He applied for federal funds, grants and loans to help pay his rent and employee but he did not receive anything.

(4) He pays $2,500 per month in rent and will owe $22,500 as of December 2020.

Section 4. Amendment of Existing Leases to Forgive Rent; Waiver of Requirements for Board of Supervisors Approval Under Chapter 23 and Charter Section 9.118; Waiver of Administrative Code and Environment Code Requirements.

The above-mentioned leases are hereby amended and rent forgiven in the amounts set forth below for the period of April 2020 through December 2020:

New Asia Restaurant	$202,500.00
New Conservatory Theatre Center	$ 32,723.92
Paoli	$ 22,500.00
TOTAL	$257,723.92

The City Administrator through the Director of Property may ~~further~~ amend these leases, ~~and other leases under the control or jurisdiction of the City Administrator, without approval of the amendment by the Board of Supervisors under Charter Section 9.118 (c) or Chapter 23, section 23.30, and~~ without modifying the Lease to include Administrative Code and Environment Code Requirements that were enacted since the most recent modification to their Lease, provided that all of the following conditions are satisfied:

(a) ~~The Lease has already been approved by the Board of Supervisors under Chapter 23 if required;~~

~~(b) The Lease amendment, which must be in the appropriate standardized form without exception and without negotiation, and modifies the Lease only to forgive some or all of the rent owed during the time period between January 1, 2021 and June 30, 2021;~~

~~(c) The Tenant must be in compliance with all other existing lease provisions;~~

~~(d) Rent may be forgiven during the time period of January 2021 up to June 30, 2021, at the discretion of the City Administrator and this ordinance does not mandate that the City amend the Lease, grant any further rent forgiveness, or require the City Administrator or Director of Property to take any other action;~~

~~(e)~~ Each tenant must disclose information regarding all monies received from any government-funded financial aid, grant or loan program intended for rent, including CARES Act and similar federal, state, or local aid; such funds are not eligible for forgiveness and will be deducted from any forgiveness amount;

(b~~f~~) The parties will release each other from claims for rent forgiven under any amendment;

(c~~g~~) Tenant's failure to comply with the Lease or the amendment will result in termination of rent forgiveness as of the date of default;

(d~~h~~) The amendment does not waive, suspend, or modify any other revision or obligation of either party under the existing Lease; and

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(~~i~~e) Tenant must comply with all applicable laws including all “back to work” requirements and other workforce-related ordinances, orders, and laws relating to the COVID-19 pandemic, including those addressing workplace safety and employment rights.

Section 5. Effective Date.

This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

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

By: /s/ CHARLES SULLIVAN
CHARLES SULLIVAN
Deputy City Attorney

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City and County of San Francisco

Tails

Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 210001 **Date Passed:** April 20, 2021

Ordinance authorizing the City Administrator to amend certain leases and forgive rent due between April 2020 and December 2020 with nonresidential tenants, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, in order to allow for expeditious rent forgiveness necessitated by the financial hardship caused by the public health emergency related to the COVID-19 pandemic.

April 07, 2021 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 07, 2021 Budget and Finance Committee - RECOMMENDED AS AMENDED

April 13, 2021 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

April 20, 2021 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Chan, Haney, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton
Absent: 1 - Mandelman

File No. 210001

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/20/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

4/30/21

London N. Breed
Mayor

Date Approved

[Planning Code; Zoning Map - New Asia Senior Housing Special Use District - 758 and 772 Pacific Avenue]

Ordinance amending the Planning Code and Zoning Map to create the New Asia Senior Housing Special Use District located at 758 and 772 Pacific Avenue, Assessor's Parcel Block No. 0161, Lot Nos. 14 and 15; affirming the Planning Department's determination under the California Environmental Quality Act; making public necessity, convenience, and welfare findings under Planning Code, Section 302; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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

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

Section 1. Environmental and Land Use Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 240727 and is incorporated herein by reference. The Board affirms this determination.

(b) On September 19, 2024, the Planning Commission, in Resolution No. 21613, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The

Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 240727, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21613, and the Board adopts such reasons as its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 240727 and is incorporated herein by reference.

Section 2. Additional Findings.

(a) Chinatown is one of the densest neighborhoods in the City. Over one-third of its residents live below the poverty line and Chinatown has the lowest average median income in the City. Many of its residents live in overcrowded conditions and there is an urgent need for quality affordable housing, particularly for its aging, senior residents.

(b) The properties located at 758 and 772 Pacific Avenue, are located within the Chinatown Residential Neighborhood Commercial zoning district, which provides a height limit of 65 feet and bulk limits of 50 to 75 feet in length or 100 feet in diagonal dimension.

(c) The New Asia Senior Housing Special Use District (SUD) is intended to facilitate reuse of the buildings at 758 and 772 Pacific Avenue and construction of a 100% affordable senior housing project. The SUD would allow an exception to the existing height and bulk district controls, up to a maximum height of 155 feet including any additional height required by the use of the California State Density Bonus Law, California Government Code Section 65915 et seq., or any other local and state program that allows additional density and Planning Code modifications. All other applicable Planning Code provisions would continue to apply to the SUD.

Section 3. Article 2 of the Planning Code is hereby amended by adding Section 249.19, to read as follows:

SEC. 249.19. NEW ASIA SENIOR AFFORDABLE HOUSING SPECIAL USE DISTRICT.

*(a) **Purpose.** The New Asia Senior Affordable Housing Special Use District is intended to facilitate the rebuilding and reuse of property located at 758 and 772 Pacific Avenue, Assessor's Block 0161, lots 14 and 15, for 100% affordable housing for seniors.*

*(b) **Location.** The boundaries of the New Asia Senior Housing Special Use District are shown on Special Use District Map SU01 of the Zoning Map.*

*(c) **Controls.** Except as stated in subsection (d), all the applicable provisions of the Planning Code shall apply, including a height limit of 65 feet, as shown on Height and Bulk District Map HT01 of the Zoning Map of the City and County of San Francisco.*

*(d) **Height Exception for Certain 100% Affordable Housing Projects.** A project that meets all of the following criteria shall be exempt from the 65-N height and bulk limit set forth in Section 250:*

(1) Includes Residential Units, all of which are Affordable Units, as defined in Section 401, and occupied by at least one person 62 years of age or older;

(2) Includes an Institutional Community Use and/or a Commercial Use on the ground floor; and,

(3) Does not exceed a height of 155 feet, as measured by Section 260(a), but not including any exemptions set forth in Section 260(b). The preceding height limitation shall be inclusive of any additional height permissible under any state or local density bonus program that requires or permits increases in height, including Planning Code Section 206.6 and State Density Bonus Law, California Government Code Section 65915 et seq.

Section 4. Article 8 of the Planning Code is hereby revised by amending Section 812 to read as follows:

SEC. 812. CHINATOWN RESIDENTIAL NEIGHBORHOOD COMMERCIAL DISTRICT.

*   *   *   *

Table 812

CHINATOWN RESIDENTIAL NEIGHBORHOOD COMMERCIAL DISTRICT

ZONING CONTROL TABLE

		Chinatown Residential Neighborhood Commercial District
Zoning Category	§ References	Controls
BUILDING STANDARDS		
Massing and Setbacks		
Height and Bulk Limits	§§ 102, 105, 106, *249.19,* 250-252, 254, 260, 263.4, 270, 271. See also Height and Bulk District Maps.	40-X, 50-N, 65-N, 65-85-N, & 110-G. P up to 35 feet; C above 35 feet. See Height and Bulk Map for more information.
* * * *		

Section 5. Zoning Map. The Planning Code is hereby amended by revising Special Use District Map SU01 of the Zoning Map of the City and County of San Francisco, as follows:

Description of Property	**Special Use District Hereby Approved**
Assessor's Block 0161, Lot 14 Assessor's Block 0161, Lot 15	New Asia Senior Affordable Housing Special Use District

Section 6. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 7. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Audrey Pearson
AUDREY PEARSON
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 240727 **Date Passed:** November 05, 2024

Ordinance amending the Planning Code and Zoning Map to create the New Asia Senior Housing Special Use District located at 758 and 772 Pacific Avenue, Assessor's Parcel Block No. 0161, Lot Nos. 14 and 15; affirming the Planning Department's determination under the California Environmental Quality Act; making public necessity, convenience, and welfare findings under Planning Code, Section 302; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

October 28, 2024 Land Use and Transportation Committee - RECOMMENDED AS COMMITTEE REPORT

October 29, 2024 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

November 05, 2024 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240727

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 11/5/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

11/14/24

Date Approved

San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F0001552	**Status**	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS	**File Number (BOS)**	260794
Type of Filing	Original		

Contractor Information

Contractor Name	Hon So, Inc.; Hon Keung So, an individual; and Candy Mei-Yiu So, an individual	**Contractor Email**	davidmkho@gmail.com
Contractor Phone #	(415) 307-1840	**International Address?**	No
Contractor Address (US)	772 Pacific Ave	**Contractor City and State**	San Francisco - CA
Contractor Zip Code	94133	**Country**	United States of America

Contract Information	
Contract Amount	$1,172,500.00
Description of Amount of Contract	Approximately $1,172,500 in rent forgiveness of approximately $1,507,500 in outstanding rent obligations owed by Tenant for month-to-month occupancy of City-owned property at 772 Pacific Avenue. Approximately $335,000 will remain an outstanding obligation owed to the City.
Contract Description	Draft Form SFEC-126f4 for Board of Supervisors approval of resolution authorizing partial forgiveness of outstanding rent obligations and temporary reduced monthly rent for the New Asia tenant at 772 Pacific Avenue. Contractor/Tenant is Hon So, Inc.; Hon Keung So, an individual; and Candy Mei-Yiu So, an individual. No Bid/RFP or sourcing event applies. Contractor officer/shareholder information is being confirmed for the required disclosure table; no subcontractors are identified in the resolution or contract documents reviewed.

City Agency - Departmental Contact Information			
Departmental Contact	Robert Baca	**Departmental Contact Phone #**	(628) 652-5812
Full Department Name	MYR - Mayor's Office	**Agency Contact Email**	robert.baca@sfgov.org

Departmental Contact Comments	Draft Form SFEC-126f4 for Board of Supervisors approval of resolution authorizing partial forgiveness of outstanding rent obligations and temporary reduced monthly rent for the New Asia tenant at 772 Pacific Avenue. Contractor/Tenant is Hon So, Inc.; Hon Keung So, an individual; and Candy Mei-Yiu So, an individual. No Bid/RFP or sourcing event applies. Contractor officer/shareholder information is being confirmed for the required disclosure table; no subcontractors are identified in the resolution or contract documents reviewed.

Contract Approval

Mayoral Approval Not Required	false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
Other Principal Officer	Hon Keung	So	
Shareholder	Hon Keung So	So	
Shareholder	Candy Mei-Yiu	So	

San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F0001609	**Status**	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS	**File Number (BOS)**	260794
Type of Filing	Original		

Contractor Information

Contractor Name	Shew Yick, Trustee of Shew Yick Trust One, and Shew Yick and Richard Tong, Trustees of Robert Yick E	**Contractor Email**	davidmkho@gmail.com
Contractor Phone #	(415) 307-1840	**International Address?**	No
Contractor Address (US)	772 Pacific Ave	**Contractor City and State**	San Francisco - CA
Contractor Zip Code	94133	**Country**	United States of America

Contract Information

Contract Amount

$1,172,500.00

Description of Amount of Contract

Approximately $1,172,500 in rent forgiveness of approximately $1,507,500 in outstanding rent obligations owed by Tenant for month-to-month occupancy of City-owned property at 772 Pacific Avenue. Approximately $335,000 will remain an outstanding obligation owed to the City.

Contract Description

Resolution authorizing partial forgiveness of outstanding rent obligations and temporary reduced monthly rent for the New Asia tenant at 772 Pacific Avenue. Contractor/Tenant is Hon So, Inc.; Hon Keung So, an individual; and Candy Mei-Yiu So, an individual. No Bid/RFP or sourcing event applies. Contractor officer/shareholder information is being confirmed for the required disclosure table; no subcontractors are identified in the resolution or contract documents reviewed.

City Agency - Departmental Contact Information

Departmental Contact

Omar Masry

Departmental Contact Phone #

+16286527393

Full Department Name

MYR - Mayor's Office

Agency Contact Email

omar.masry@sfgov.org

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
Other Principal Officer	Hon Keung	So	
Shareholder	Hon Keung So	So	
Shareholder	Candy Mei-Yiu	So	
Shareholder	Shew	Yick	
Shareholder	Richard	Tong	

San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F0001604	**Status**	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS	**File Number (BOS)**	260794
Type of Filing	Original		

Contractor Information

Contractor Name	New Asia Housing L.P.	**Contractor Email**	bo.han@chinatowncdc.org
Contractor Phone #	(415) 984-1450	**International Address?**	No
Contractor Address (US)	615 Grant Avenue	**Contractor City and State**	San Francisco - CA
Contractor Zip Code	94108	**Country**	United States of America

Contract Information

Contract Amount

$17,339,653.00

Description of Amount of Contract

Up to $13,666,153 in Predevelopment Loans for 758 + 772 Pacific Avenue. Funding sources include (2019 General Obligation Bond for Affordable Housing, Housing Trust Fund, 722 Montgomery Donation, HOME Funds), Residential Ground Lease

Contract Description

Predevelopment Loan Agreement (up to $13,666,153), Residential Ground Lease ($15,100 per year for up to 99 years), and Purchase and Sale Agreement ($2,1786,000,00), for 100% Affordable Senior housing and associated community-serving commercial space.

City Agency - Departmental Contact Information

Departmental Contact

Omar Masry

Departmental Contact Phone #

+16286527393

Full Department Name

MYR - Mayor's Office

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
CEO	Malclom	Yeung	Chinatown Community Development Center
CFO	Hiu Yee (Cindy)	Louie	Chinatown Community Development Center
COO	Matthias	Mormino	Chinatown Community Development Center
Board of Directors	Tommy	Chan	Chinatown Community Development Center
Board of Directors	Claudine	Cheng	Chinatown Community Development Center
Board of Directors	Gregory	Chin	Chinatown Community Development Center
Board of Directors	Jane	Chin	Chinatown Community Development Center
Board of Directors	James	Fagler	Chinatown Community Development Center
Board of Directors	Donald	Falk	Chinatown Community Development Center
Board of Directors	Irene	Hilton	Chinatown Community Development Center
Board of Directors	Guy	Hollins	Chinatown Community Development Center
Board of Directors	Cynthia	Huie	Chinatown Community Development Center
Board of Directors	Joanne	Lee	Chinatown Community Development Center
Board of Directors	Olson	Lee	Chinatown Community Development Center
Board of Directors	Barbara	Lin	Chinatown Community Development Center
Board of Directors	John	Moon	Chinatown Community Development Center
Board of Directors	Anton	Qui	Chinatown Community Development Center
Board of Directors	Maggie	Shortes	Chinatown Community Development Center
Board of Directors	Rosa	Wong Chie Truong	Chinatown Community Development Center
Board of Directors	Dennis	Yee	Chinatown Community Development Center

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F0001608	**Status**	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS	**File Number (BOS)**	260794
Type of Filing	Original		

Contractor Information

Contractor Name	CCDC New Asia Commercial LLC	**Contractor Email**	bo.han@chinatowncdc.org
Contractor Phone #	(415) 984-1450	**International Address?**	No
Contractor Address (US)	615 Grant Avenue	**Contractor City and State**	San Francisco - CA
Contractor Zip Code	94108	**Country**	United States of America

Contract Information

Contract Amount	$99.00
Description of Amount of Contract	Commercial Ground Lease Agreement for $1 per year for 75 year term (plus option to extend 24 years)
Contract Description	Commercial Ground Lease Agreement for community-serving commecial space at ground floor, mezzanine, and basement of 758+772 Pacific 100% Affordable Senior Housing.

City Agency - Departmental Contact Information

Departmental Contact	Omar Masry	**Departmental Contact Phone #**	+16286527393
Full Department Name	MYR - Mayor's Office	**Agency Contact Email**	omar.masry@sfgov.org

Contract Approval

Mayoral Approval Not Required	false

Affiliates and subcontractors			
Entity Type	**First Name**	**Last Name**	**Entity or Sub/Contractor Name**
CEO	Malcolm	Yeung	Chinatown Community Development Center
CFO	Hiu Yee (Cindy)	Louie	Chinatown Community Development Center
COO	Matthias	Mormino	Chinatown Community Development Center
Board of Directors	Tommy	Chan	Chinatown Community Development Center
Board of Directors	Claudine	Cheng	Chinatown Community Development Center
Board of Directors	Gregory	Chin	Chinatown Community Development Center
Board of Directors	Jane	Chin	Chinatown Community Development Center
Board of Directors	James	Fagler	Chinatown Community Development Center
Board of Directors	Donald	Falk	Chinatown Community Development Center
Board of Directors	Irene	Hilton	Chinatown Community Development Center
Board of Directors	Guy	Hollins	Chinatown Community Development Center
Board of Directors	Cynthia	Huie	Chinatown Community Development Center
Board of Directors	Joanne	Lee	Chinatown Community Development Center
Board of Directors	Olson	Lee	Chinatown Community Development Center
Board of Directors	Barbara	Lin	Chinatown Community Development Center
Board of Directors	John	Moon	Chinatown Community Development Center
Board of Directors	Anton	Qiu	Chinatown Community Development Center
Board of Directors	Maggie	Shortes	Chinatown Community Development Center
Board of Directors	Rosa	Wong Chie Truong	Chinatown Community Development Center
Board of Directors	Dennis	Yee	Chinatown Community Development Center

OFFICE OF THE MAYOR
SAN FRANCISCO

DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Dexter Darmali, Legislative & Ethics Secretary
RE: New Asia Restaurant - 772 Pacific Avenue - Rent Forgiveness, Month-to-Month Rent Reduction
DATE: July 7, 2026

Resolution 1) authorizing the Director of Property, in consultation with the Mayor's Office of Housing and Community Development ("MOHCD"), to partially forgive approximately $1,172,500 of approximately $1,507,500 in outstanding rent obligations and reduce the monthly base rent to $5,000 per month for the remaining duration of Tenant's month-to-month occupancy to end on September 30, 2026; and 2) authoring the Director of Property and Director of MOHCD, or their respective designees, to take any other related actions in furtherance of this Resolution.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org