

**Board of Supervisors
Balboa Reservoir - Summary of Amendments to the Development Agreement
August 11, 2020**

City College Commitments

1. Memorialize the key developer commitments to City College in the Development Agreement –

- *DA new section 3.6: Key Obligations. The City strongly believes that the San Francisco Community College District (the “College”) is an extremely valuable public resource, and recognizes that the Project provides a unique opportunity for the City to provide a large amount of affordable housing while also supporting the mission of the College to provide accessible, quality education to all. Developer and the College have agreed upon certain key obligations of Developer that will support and enhance the College’s educational operations, development, and construction of new facilities pursuant to its Facilities Master Plan. Therefore, Developer shall comply with those key obligations to the College summarized in Exhibit S in its development of the Project Site.*
- *DA new Exhibit S, City College Commitments (exhibit follows at end of memo)*

Affordable Housing

- 2. Developer will Deed Back Three Affordable Housing Parcels to City –** To ensure permanent affordability for the project’s affordable housing units, the developer will convey to the City at nominal cost the three affordable housing parcels that will receive contributions of City gap funding (parcels A, B, E). *Added to DA Exhibit D, Affordable Housing Program*
- 3. Extend Affordability Agreement for the Affordable Educator Housing Parcel –** To ensure permanent affordability for the project’s affordable housing units, the Affordable Educator Housing parcel will require an extended regulatory agreement to maintain affordability for 99 years. The parcel will not be deeded back to the City due to the private developer financing and State tax exemption. *Added to DA Exhibit D, Affordable Housing Program*
- 4. Refine the AMI levels to serve the households of greatest need and a range of income levels –** *Added to DA Exhibit D, Affordable Housing Program*
 - The proportion of low-income units to be provided in the project will increase from a minimum of 35% to a minimum of 50% (193 to 275 units). 20% of the low-income units will be provided at very low-income (between 30% and 55% of AMI).
 - The proportion of moderate-income units in the project will be maintained at a minimum of 30% with an AMI range of 80% to 120%. Moderate-income educator units will have an AMI range between 70% and 130% with an average of 100% of AMI.

- The remaining 20% may be low- or moderate-income units, but with further refinement to ensure that a diversity of households are served across the income range.
- *DA Exhibit D, Sec B. 2. a. to be further amended with: The Developer shall make best efforts to serve households with children or multi-generational households, especially pursuing state funding sources that prioritize low income families.*

- 5. Broaden the Neighborhood Preference area to include all neighboring residents, including Ingleside** – The Neighborhood Preference in City Affordable Housing Programs provides for 40% of a project’s affordable units to be offered to residents of the Supervisorial District in which the project is located, plus a ½-mile radius. For this project, the radius will be 1.15 miles. *Added to DA Exhibit D, Affordable Housing Program*
- 6. Ensure that the developer’s commitment to provide 33% affordable housing will not be amended** – The parties agree that the developer’s commitment to providing 33% affordable housing is of utmost importance and as such, agree that any future amendments to the DA will address alternatives to infrastructure, parks, and other cost or revenue items relative to the Project, and under no circumstance will any future amendment reduce the percentage of Affordable Units under the Affordable Housing Program. *Added to DA, Section 11*
- 7. Include provision to prevent delay on the developer’s commitment to build by providing a schedule of performance** – The schedule of performance will include a new obligation for the Developer to meet certain pre-development milestones by specified dates, subject to excusable delay including economic force majeure and litigation delay. *Added a new Schedule 3, Schedule of Performance*
- 8. Include a City repurchase option to encourage the swift production of the project’s community benefits and to provide additional security for the City** – The City will retain a right to repurchase the property if the developer has not commenced construction of the project after 15 years of the Development Agreement effective date, or if the Development Agreement terminates prior to the commencement of construction. Any termination of the Agreement will be made subject to the Board of Supervisors approval. *Added to DA, new Section 15 and Exhibit Q*

DA Section 9.4.2 Termination to be further amended with: Any termination of this Agreement by City prior to the date that Developer has Commenced Construction of the Project (as described in Section 15 of this Agreement) shall be made, if at all, only following a hearing at the City’s Board of Supervisors and shall be subject to the approval of the Board of Supervisors by ~~resolution~~ motion.

Project Uses

- 9. Clarify that no retail use is permitted under the DA** - Per the amendment to the DA Ordinance that was made by the Budget & Finance Committee to remove reference to retail use in the project, the DA will be updated to clarify that no retail use is permitted. *DA Recital B and Exhibit B, Project Description will be amended to specify that no retail use is permitted in the Project.*

Child Care Program

- 10. Set Child Care Center's rent at \$1 annually to support a nonprofit child care operator's ability to serve** – The developer will lease the child care facility for nominal rent (\$1.00). This is in addition to requirements that the operator be non-profit and reserve 50% of slots for children of low-income families. *Added to DA Exhibit L, Child Care Program*

Open Space

- 11. Ensure that the Publicly Accessible Open Space is managed equitably with participation and representation from the public** –
- The developer will establish an open space advisory committee including representatives from nearby neighborhood associations and institutions, and host an annual meeting to provide for ongoing input on the use, maintenance, and operation of the open spaces. *Added to new DA Exhibit R, Community Engagement*
 - The governance of the open space manager will have equal, pro-rata representation from all buildings on site. *Added to DA Exhibit C-3, Open Space Regulations*

Ongoing Community Engagement

- 12. Include further language in the Development Agreement evolving the role of the community after the sunset of the Balboa Reservoir Community Advisory Committee** – Added a new exhibit to the DA related to the developer's community engagement obligations throughout the construction of the project and during operation of the open space. Includes developer standards of communication, public participation in open space and building design, an open space advisory committee, and construction management commitments. *Added to new DA Exhibit R, Community Engagement*

DA Exhibit R will be further amended with: Prior to sunseting, the Balboa Reservoir Community Advisory Committee will provide recommendations to Developer on establishing ongoing communications and community engagement.

The Developer will provide continuity in the community engagement process across the various phases of the project, including pre-entitlement, design, pre-construction, construction, and ongoing operations. Specifically, community leaders and organizations, especially those who have served on the Balboa Reservoir Community Advisory Committee,

and established community groups shall continue to serve as liaisons to the broader community in regards to the Balboa Reservoir project, including meeting planning, community outreach, and project updates. The Developer is responsible for maintaining ongoing communication.

- 13. Clarify commitments to best-practices and robust coordination with the public during construction** – The new exhibit regarding community engagement includes construction management commitments to annual meetings, disclosure of timely information, and a community liaison. In addition, developer will comply with specific construction commitments around reducing the impact of noise, air quality, and emissions. *Added to new DA Exhibit R, Community Engagement*

DA Exhibit R will be further amended with:

Noise: *In order to ensure timeliness of response the weekly noise log shall be shared with the appropriate City departments no more than three days after the week in which a complaint or exceedance occurred.*

Dust: *The final Soil Management Plan will need to be approved by the SF Department of Public Health and will be shared with the community. That plan will outline public notification processes and requirements in the case that the particulate level has been exceeded. Dust monitoring logs/data will be available to the public upon request in a timely fashion. In addition, if excessive dust levels occur, mitigation must be immediately implemented, and when necessary, construction will be halted until action has been cured.*

Truck Travel: *The current assumption that was studied from the EIR assumed that the primary construction route would be from 280 and Ocean to the north access Road. If the route needs to change it will be approved by SFMTA in our construction plan and shared with the community as a part of ongoing coordination.*

Transportation

- 14. Include mention of City’s investment for transit improvement and traffic mitigation in the neighboring project area** – The SFMTA has issued a memo describing the Agency’s commitment to transit investments in the neighboring area. *See file 28 “SFMTA Memo 080520” included in the Development Agreement file 200423*

- 15. Update the TDM Plan menu of options to include contributions or incentives for sustainable transportation** –

DA Exhibit J-1 will be amended with the following TDM measure as an option:

HOV-1 Contributions or Incentives for Sustainable Transportation (2 points)

The Development Project (and subsequent property owner) shall closely consider developing a program which offers contributions or incentives to each Dwelling Unit at least once annually, for the Life of the Project. If requested by a resident or employee, the property

owner shall pay for contributions or incentives equivalent to the cost of a 25 percent of a monthly Muni only "M" pass², or equivalent value in e-cash loaded onto Clipper Card, per Dwelling Unit, and/or employee.

EXHIBIT S

CITY COLLEGE COLLABORATION AND COMMITMENTS

This Exhibit S describes key obligations of Developer and points of collaboration between the Developer and San Francisco Community College District (the “College”). All capitalized terms used in this Exhibit S and not specifically defined herein will have the meanings ascribed to them in the Development Agreement by and between the City and County of San Francisco, a municipal corporation, and Reservoir Community Partners LLC, a California Delaware limited liability company (the “Agreement”) to which it is attached. The Balboa Reservoir project is adjacent to the City College of San Francisco’s Ocean Avenue campus. City College has participated in the ongoing community planning process for the Balboa Reservoir, including participation in the developer selection process, representation by a College trustee on the Balboa Reservoir Community Advisory Committee (BRCAC), and ongoing conversations with City staff and the Developer. Additionally, the College currently leases a portion of the lower reservoir for parking.

This Exhibit summarizes the Developer’s agreement for ongoing collaboration with the College as well as specific commitments to provide community benefits to the College. The commitments detailed in this exhibit are consistent with a Memorandum of Understanding approved by the College Board of Trustees on August 6, 2020. Pursuant to Section 3.6 of the Agreement, Developer will comply with the key obligations to the College described below.

Educator Housing.

As detailed in Exhibit D of the Agreement, Developer will provide 150 units designated as affordable educator housing, serving households where at least one person is a full-time employee of the College or the San Francisco Unified School District (“SFUSD”), with priority to College Faculty and staff. Units that cannot be filled by the College will then be made available to SFUSD. Rents will be set for moderate-income household earning between 70%-130% AMI, with an average of 100% AMI. Occupancy will be no sooner than 2024. In addition, the 150 units of affordable educator housing will be of comparable construction and finishes similar to those market rate and affordable units, and with a similar suite of building amenities.

Culture and Climate.

As detailed in Exhibit R of this Agreement, Developer will create an Open Space Advisory Committee that will review the management, maintenance, operations, and programming of the public open spaces on the Balboa Reservoir property.

- The College will have two permanent seats on the Open Space Advisory Committee, alongside adjacent neighborhood groups and other community stakeholders.
- Developer and the Open Space Advisory Committee will collaborate with the College on bringing in College-centered and student-led programming as part of the activation and

programming of the Open Spaces.

Developer will incorporate the City's Caution Against Racially Exploitative Non-Emergencies (CAREN) Act upon adoption by the Board of Supervisors in the governing documents of the Open Space Advisory Committee and the rules and regulations that are developed for the open space.

Developer will work with the College to develop a program to commission student artists to create art/art exhibitions for the Development, with a goal of bringing College Art & Culture into the Development.

Parking.

As detailed in Exhibit J of this Agreement, Developer will provide up to 450 public parking spaces that will be available to the College community during weekday daytime hours.

Developer will provide parking solutions detailed herein to provide continuity of parking availability for the College community, particularly during peak parking demand period in the first two weeks of semesters.

- “Pinch Point” Parking. Due to the necessity of grading the Project Site, and of building the Phase 2 buildings, there may be times during the construction process when interim parking cannot be made available. In the event that one of these times coincides with the first two weeks of a College fall or spring semester (which are identified in the College’s 2019 Fehr & Peers Transportation Analysis as the times of peak College parking demand), Developer will fund the reasonable cost for the College to use a valet service to expand the capacity of its other parking lots on campus during this period.
- Dedicated College parking spaces. Developer and the College will collaborate to develop a program by which a portion of the new public parking spaces can be reserved for members of the College community at certain days of the week and times of day. The intent of this program will be to ensure parking availability for the College at times of primary College activity, while also allowing for spaces to be utilized to serve other populations at off-peak times.
- College Parking Pricing. Developer and the College will collaborate to develop a pricing program and enforcement mechanism that recognizes the need for parking pricing to be affordable to the College students. The maximum amount charged to a College student under this program will be no more than the greater of: (i) the basic daily rate charged for daily parking in College campus lots, or (ii) \$6 per day, increasing annually by no more than the Consumer Price Index.

Transportation Benefits for College Students.

Developer will provide a one-time contribution to the College, in the amount of \$400,000, to help support the implementation and effectiveness of a new College Transportation Demand

Management program, particularly to benefit student transportation needs and planning.

Coordinating Construction Activities

In addition to Developer's obligations described in Exhibit R, Community Engagement, and Exhibit F, the MMRP, Developer and the College will use best efforts to coordinate future construction of the Balboa Reservoir Project and the College Facilities Master Plan, including the Performing Arts and Education Center, The Diego Rivera theater and the STEAM building.

- Developer and the College will identify primary point(s) of contact who will manage construction coordination and planning efforts.
- Developer and the College will have regular meetings to coordinate schedules of construction activities, and update as to any changes in schedules, construction activities, and conditions.
- Developer will use diligent good faith efforts to collaborate with the City and the College to address and resolve all matters related to construction of the roads and subterranean infrastructure, geothermal wells and related considerations outlined in the Amended Access Easement Agreement and Deed between the City and the College.
- Developer and the College will use diligent good faith efforts to collaborate on scheduling for the utility and road construction work, with the goal of minimizing disruption to the College and the Project to the extent feasible.

Existing Geothermal Wells

Developer will collaborate with the College engineering staff and consultants on the process for removal of the geothermal wells, and will use commercially reasonable efforts to remove or cap the wells in such a way that the remaining geothermal well system can remain in working order.