File No	230934	Committee Item No2	2
		Board Item No.	

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use and Transportati	on Committee Date	September 18, 2023
Board of Su Cmte Board	pervisors Meeting	Date	
	Motion Resolution Ordinance Legislative Digest Budget and Legislative A Youth Commission Repol Introduction Form Department/Agency Cov MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Comm Award Letter Application	ort er Letter and/or Re	eport
OTHER	(Use back side if addition	nal space is neede	d)
	DRAFT Easement Agmt BOS Reso No. 208-21 05 BOS Reso No. 541-21 11 BOS Reso No. 205-23 04	3021	
	by: Erica Major		ember 7, 2023
	Form 126 – Ethics Commaward Letter Application Public Correspondence (Use back side if addition DRAFT Easement Agmt BOS Reso No. 208-21 05 BOS Reso No. 541-21 11 BOS Reso No. 205-23 04	nal space is neede 0421 3021 2523	

22

23

24

1	[Grant of Easements - Pacific Gas and Electric Company - 593 Total Square Feet for Electrical and Gas Utilities to Serve 100% Affordable Housing at 4840 Mission - At No Cost]
2	Electrical and Cas Canado to Corvo 100707 moradole frodeling at 10 to Micelen 710 to Cost
3	Resolution approving and authorizing a grant of two easements on the City's property
4	located at 4840 Mission Street (Assessor's Parcel Block No. 6959, Lot No. 35),
5	consisting of an easement of 198 square feet of land at the northwest edge of the
6	parcel for electrical equipment and an easement of 395 square feet of land at the
7	northern edge of parcel for gas equipment, between the City and County of San
8	Francisco and Pacific Gas and Electric Company ("PG&E"), for the purpose of
9	providing electrical and gas utilities to 100% affordable housing located on the City's
10	property, at no cost for a term effective upon approval of this Resolution and until
11	PG&E surrenders or abandons the easement areas or the agreement is terminated;
12	determination that the grant of the easements at no cost will serve a public purpose by
13	providing affordable housing for extremely low, very low, low, and moderate income
14	households in need and facilitate electric service by the San Francisco Public Utilities
15	Commission, in accordance with Administrative Code, Section 23.3; and authorizing
16	the Director of Property to execute documents, make certain modifications and take
17	certain actions in furtherance of this Resolution, as defined herein.
18	
19	WHEREAS, City is the fee owner of Assessor's Parcel Block No. 6959, Lot No. 35, Sar
20	Francisco, also known by its street address as "4840 Mission Street (the "Property") under the
21	jurisdiction of the Mayor's Office of Housing and Community Development ("MOHCD"); and

WHEREAS, The City and County of San Francisco, acting through MOHCD,

housing and the rehabilitation of single- and multi-family housing for low- and moderate-

administers a variety of housing programs that provide financing for the development of new

income households in San Francisco; and 25

1	WHEREAS, MOHCD enters into loan agreements and ground leases with affordable
2	housing developers and operators; administers loan agreements; reviews annual audits and
3	monitoring reports; monitors compliance with affordable housing requirements in accordance
4	with capital funding regulatory agreements; and if necessary, takes appropriate action to
5	enforce compliance; and
6	WHEREAS, MOHCD selected 4840 Mission Housing Associates, L.P., a California
7	limited partnership ("Borrower"), with Bridge Housing Corporation, a nonprofit public benefit
8	corporation, as the general partner, to develop and construct a 100% affordable 135-unit
9	affordable rental property for extremely low-, very low-, low- and moderate-income
10	households, along with two managers units and 4,407 square feet of commercial space for
11	public benefit, on the Property (the "Project"); and
12	WHEREAS, By a letter dated June 14, 2019 (the "Planning Department Authorization"),
13	the Planning Director deemed the Project consistent with the General Plan and eight priority
14	policies of Planning Code, Section 101.1, a copy of the authorization with the is on file with the
15	Clerk of the Board of Supervisors in File No. 210383, and is incorporated herein by reference;
16	and
17	WHEREAS, Under Resolution No. 208-21, the Board of Supervisors approved a Loan
18	Agreement between the City and Borrower ("Loan Agreement") and a Ground Lease between
19	the City and Borrower ("Ground Lease"), fully executed copies of which are on file with the
20	Clerk of the Board of Supervisors in File No. 210383, for the purpose of providing a loan in the
21	amount up to \$28,751,450 (the "Loan") and a lease of the Property for up to 99 years,
22	respectively, to the Borrower for development and construction of the Project; and
23	WHEREAS, On June 1, 2021, the Borrower closed construction and permanent
24	financing for the Project, which included tax exempt multifamily revenue bonds issued by the

1	City and low income housing tax credits, and commenced construction of the Project on June
2	16, 2021; and
3	WHEREAS, Administrative Code, Section 99.3, requires all tenants of the City to
4	receive electric service from the San Francisco Public Utilities Commission ("SFPUC") unless
5	the SFPUC determines that such service is not feasible, but such tenants will continue to use
6	the distribution infrastructure owned by Pacific Gas & Electric ("PG&E"); and
7	WHEREAS, Under Resolution No. 541-21, the Board of Supervisors approved an
8	agreement between the City and PG&E ("PG&E Agreement") in which PG&E agreed to
9	provide secondary-level wholesale distribution service to SFPUC for new 100 percent
10	affordable housing projects that are on City-owned land; and
11	WHEREAS, The Borrower was required to commence construction of the Project prior
12	to approval and execution of the PG&E Agreement and could not determine the design,
13	feasibility, or the cost to change electric service from PG&E to the SFPUC prior to the
14	required construction commencement date, which resulted in additional construction costs
15	that were not budgeted under the Loan Agreement and construction delays of over six months
16	to negotiate new agreements and redesign the Project; and
17	WHEREAS, Under Resolution No. 205-23, the Board of Supervisors approved a First
18	Amendment to the Loan Agreement between the City and Borrower, a copy of which is on file
19	with the Clerk of the Board of Supervisors in File No. 210383 ("First Loan Amendment
20	Agreement"), increasing the Loan to an amount not to exceed \$37,728,757 to finance
21	additional construction costs related to the redesign of the Project for the conversion of PG&E
22	services to the SFPUC; and
23	WHEREAS, Based on the redesign of the Project under the PG&E Agreement, PG&E
24	requires two easements on the Property for the purpose of locating PG&E equipment to

covert electric service to the SFPUC and serve gas to the Project; and

1	WHEREAS, For the purpose of assisting the completion of the redesigned Project, the
2	City desires to grant PG&E with two easements consisting of 198 square feet of land at the
3	northwest edge of the Property for PG&E's electrical equipment and 395 square feet of land at
4	the northern edge of the Property for PG&E's gas equipment, for a total of 593 square feet of
5	the Property (collectively, the "Easements"), at no cost pursuant to an Easement Agreement
6	in substantially the form approved by the Director of Property and the Director of MOHCD on
7	file with the Clerk of the Board of Supervisors in File No. 230934, incorporated herein by
8	reference; and
9	WHEREAS, The proposed grant of Easements at no cost under the Easement
10	Agreement is less than fair market value (as described in Administrative Code, Section 23.3),
11	but the grant at no cost will further a proper public purpose by providing affordable housing for
12	extremely low-, very low-, low-, and moderate-income households in need and facilitate
13	electric service provided by the SFPUC; and
14	WHEREAS, The Director of Property has determined the fair market value of the
15	Easements under the Easement Agreement is less than Ten Thousand Dollars (\$10,000)
16	based on a review of available and relevant data; now, therefore, be it
17	RESOLVED, That the Board of Supervisors finds that the public interest or necessity
18	will not be inconvenienced by the conveyance of the Easements, because the Easements are
19	located within the Property leased to the Borrower under the Ground Lease and will not
20	impede or obstruct the construction of Project or any public right of way; and, be it
21	FURTHER RESOLVED, That the Board of Supervisors finds that a grant of the
22	Easements to PG&E at no cost will further a proper public purpose of creating affordable
23	housing for extremely low-, very low-, low- and moderate-income households at the Project
24	and facilitating electric service by the SFPUC; and, be it

FURTHER RESOLVED, That in accordance with the recommendation of the Director
of Property and the Director of MOHCD, the Board of Supervisors hereby approves the grant
of the Easements at no cost under the terms and conditions of the Easement Agreement, in
substantially the form of the Easement Agreement presented to the Board, and authorizes the
Director of Property, in the name and on behalf of the City and County of San Francisco, to
execute the Easement Agreement; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any amendments or modifications to the Easement Agreement (including, without limitation, the attached exhibits) that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, do not otherwise materially diminish the benefits to the City or increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Easement Agreement and are in compliance with all applicable laws, including City's Charter; and, be it

FURTHER RESOLVED, That the Director of Property is hereby authorized and urged, in the name and on behalf of the City and County of San Francisco, to take any and all steps (including, but not limited to, the execution and delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing documents and other instruments or documents) as the Director of Property deems necessary or appropriate in order to consummate the conveyance of the Easements pursuant to the Easement Agreement, or to otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property of any such documents; and, be it

FURTHER RESERVED, That within thirty (30) days of the Easement Agreement being fully executed by all parties, MOHCD shall provide the final agreement to the Clerk of the Board for inclusion into the official file.

1	
2	
3	
4	
5	
6	RECOMMENDED:
7	
8	
9	/s/ Andrico Q. Penick , Director of Property
10	
11	
12	/s/
13	wayor's Office of Flousing and Community Development
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

Free Recording Requested Pursuant to California Government Code Section 27383

Recording requested by and when recorded mail to:

PACIFIC GAS AND ELECTRIC COMPANY 245 Market Street, N10A, Room 1015 P.O Box 770000 San Francisco, California 94177

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

EASEMENT DEED

EASEMENT AGREEMENT (4840 Mission, San Francisco)

THIS EASEMENT AGREEMENT (this "**Agreement**"), dated for reference purposes only as of _______, 2023 ("**Agreement Date**"), is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), 4840 Mission Housing Associates LP, a California limited partnership ("Tenant"), and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**PG&E**").

RECITALS

A. City owns that certain real property located at 4840 Mission Street in the City and County of San Francisco, California, (the "**Property**"), described as follows:

(APN 6959-035)

Parcel A as shown upon the Parcel Map No. 10470 filed for record April 1, 2021 in Book 51 of Parcel Maps at Page 134, City and County of San Francisco Records.

- B. City and Tenant have entered into that certain Ground Lease dated as of May 24, 2021, (the "Ground Lease") for the purpose of leasing the Property to Tenant and developing the Property into affordable housing for low-income persons (the "Project").
- C. Tenant has requested City to grant PG&E an easement, and PG&E and City wish to enter into this Agreement to memorialize the right to use that portion of the Property described in Exhibit A and depicted in Exhibit B (the "Easement Area") for access to and maintenance of its Utility Facilities (as defined below), all on the terms and conditions set forth in this Agreement.
- D. On _______, the San Francisco Board of Supervisors and the Mayor approved Resolution No. ______, authorizing the City to grant this Easement to PG&E for the purpose of developing the Project.

AGREEMENT

ACCORDINGLY, City grants PG&E an access easement as follows:

144\344\3542807.1

1. Grant of Easement. City, hereby grants a non-exclusive easement to PG&E with the right from time to time to use the Easement Area, as hereinafter set forth, to construct, excavate for, construct, reconstruct, install, inspect, maintain, replace (of the initial or any reasonable size), repair, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, on over and under the Easement Area ("Easement Activities"), and also ingress thereto and egress therefrom, over and across the Property.

Said facilities within the Easement Area are described as follows: Such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and one or more underground pipes with suitable service pipes and connections, and fixtures and appurtenances necessary to any and all thereof ("Utility Facilities"), as PG&E deems necessary for the distribution of electric energy, gas, and communication purposes.

2. Use of Easement Area.

- **2.1** <u>Vegetation Management</u>. PG&E shall have the right, from time to time, to trim or cut down, without PG&E paying compensation, any and all trees and brush now or hereafter within the Easement Area, or to comply with applicable state or federal regulations. After any pruning or vegetation removal, PG&E shall restore the Easement Area to as nearly as practicable to the condition as it existed prior to exercising such rights.
- **2.2** Access. PG&E shall have the right of ingress to and egress from the Easement Area over and across portions of the Property by means of roads and lanes thereon, if applicable, route or routes thereon, or adjacent public right of way as shall occasion the least practicable damage and inconvenience to City and Tenant, provided, that such right of ingress and egress shall not extend to any portion of the Property which is isolated from the Easement Area by any public road or highway, now crossing or hereafter crossing the lands.
- 2.3 Compliance with Laws; Maintenance. PG&E shall conduct the Easement Activities in compliance with all applicable laws, through sound construction industry practices applicable to work within the Easement Area, free and clear of any liens arising out of or in connection with its use of the Easement Area, and shall diligently pursue its construction or maintenance activities to completion. Tenant shall secure and pay for any building and other permits and approvals, government fees, licenses and inspections necessary for the proper performance and completion of PG&E's initial construction activities in the Easement Area, including, but not limited to any approvals required by City acting in its regulatory capacity; provided, however, that PG&E shall obtain any permits and pay for any costs for maintenance of the Utility Facilities in the Easement Area. PG&E shall be solely responsible for maintaining all Utility Facilities, including all replacements installed in the Easement Area in good and safe condition, and City and Tenant shall have no duty whatsoever for any maintenance of the Utility Facilities or any Replacement Improvements. In addition, PG&E shall have the non-exclusive right to use such portion of said lands contiguous to said Easement Area as may be reasonably necessary in connection with the excavation, construction, reconstruction, replacement, removal, maintenance and inspection of the Utility Facilities.
- **2.4** <u>City's Reserved Rights</u>. Notwithstanding anything to the contrary in this Agreement, City reserves and retains all of the following rights relating to the Easement Area, so long

as the City's activities do not unreasonably interfere with PG&E's access to the Easement Area, Easement Activities, or PG&E's operations of its Electric Facilities, provided that they do not conflict with the limitations set out in Section 2.5, below (collectively, the "Reserved Rights"): (i) the right to any and all water, timber, mineral and oil rights of any kind; (ii) the right to grant future rights to a third party over, across, under, in and on the Easement Area; (iii) the right to maintain or install telecommunication facilities or other facilities or property; (iv) the right to install, maintain, replace and remove any type of paving, drainage improvements and hardscaping; (v) the right to use the surface of the Easement Area for the construction and operation of a driveway, sidewalk, parking area, drainage improvements; (vi) the right to use the Easement Area for the demolition of existing surface improvements, regrading and repaving, removal of existing building, and relocation or revisions to existing utilities and/or demolition work, if applicable; and (vii) any other use that does not unreasonably interfere with PG&E's rights granted herein; provided, however, that such limitation shall not apply to City's exercise of its relocation rights under Section 3.4 below. The exercise of the Reserved Rights shall not materially interfere with PG&E's rights granted herein.

- 2.5 <u>Limitation on City's Use</u>. City and Tenant shall not place or construct, nor allow a third party to place or construct, any building or other structure, or store flammable substances, or drill or operate any well, or diminish or substantially add to the ground level within the Easement Area. Notwithstanding Sections 2.4 and 2.5, Tenant may install an aesthetic fence around the above-ground Utility Facilities and landscaping within the Easement Area approved by PG&E, provided that such fence shall not unreasonably interfere with the maintenance and operation of the Utility Facilities.
- **2.6** Permits and Approvals. PG&E shall obtain all applicable permits, licenses and approvals (collectively, "Approvals") required by any regulatory agencies with jurisdiction over the Electric Facilities. PG&E recognizes and agrees that no approval by City for purposes of PG&E's installation work hereunder shall be deemed to constitute the approval of any federal, state or local regulatory authority with jurisdiction, and nothing herein shall limit PG&E's obligation to obtain all such Approvals, at PG&E's sole cost.
- **2.7** Exercise of Due Care; Fencing of Excavations. PG&E shall use, and shall cause its agents to use, due care at all times to avoid any damage or harm to the Property or Project. PG&E shall take such reasonable protection measures with the Easement Area as City or Tenant may reasonably request. City or Tenant shall have the right to supervise any excavation work, provided that PG&E shall provide reasonable notice to City and Tenant before commencement of any excavation work. Any excavations created by PG&E in the Easement Area may be fenced in PG&E's sole discretion, and during any times that work is not actively being performed at such excavation, shall be covered and secured. PG&E shall do everything reasonably within its power, both independently and upon request by City or Tenant, to prevent and suppress unsafe conditions or fires on and adjacent to the Easement Area attributable to PG&E's use hereunder.
- **2.8** Cooperation with City Personnel. PG&E and its agents shall work cooperatively with City and Tenant personnel to reasonably minimize any potential disturbance of the natural features of the Easement Area and to avoid unreasonable disruption of the Project or City property in, under, on or about the Easement Area and the uses of the Easement Area by City and its tenants, subtenants, licensees, sublicensees and invitees. PG&E shall reasonably screen with temporary fencing during Easement Activities where possible to reduce visual impact, and with the exception of emergencies, work shall be conducted during hours reasonably acceptable to City and Tenant.

144\344\3542807.1

- **Restrictions on Use**. PG&E agrees that, by way of example only and without limitation, the following uses of the Easement Area by PG&E or any other person claiming by or through PG&E are inconsistent with the limited purpose of this Agreement and are strictly prohibited as provided below:
- **3.1** Improvements; Signs. Except for the Utility Facilities, PG&E shall not construct or place any temporary or permanent structures or improvements, including but not limited to signs, advertisements, banners or similar objects on or about the Easement Area, except for facility markers used in connection with the Utility Facilities.
- 3.2 <u>Hazardous Material</u>. PG&E shall not cause, nor shall PG&E allow any of its agents or invitees to cause, any storage, release or disposal of Hazardous Material (as defined below) to in, on or about the Easement Area, or transported to or from the Easement Area. PG&E shall immediately notify City and Tenant when PG&E learns of, or has reason to believe that, such a release of Hazardous Material has occurred in, on or about the Easement Area. PG&E shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that PG&E or its agents or invitees cause a release of Hazardous Material, PG&E shall, without cost to City or Tenant properly remediate the Easement Area and any other affected property and return such property as close as reasonably possible to the condition immediately prior to the release, in accordance with all laws and regulations. In connection therewith, PG&E shall afford City and Tenant a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seg., or pursuant to Section 25316 of the California Health & Safety Code; a "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 Easement Area or are naturally occurring substances in the Easement Area, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "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 in, on, under or about the Easement Area.
- **3.3** <u>Dumping; Nuisances; Damage</u>. PG&E shall not dump or dispose of refuse or other unsightly materials on, in, under or about the Easement Area, nor shall PG&E conduct any activities on or about the Easement Area that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to City, Tenant, to the owners or occupants of neighboring property or to the public, or that will cause damage to any of the Property or Project.
- **3.4** Relocation of Utility Facilities and Easement Area. If City reasonably determines that PG&E's use of the Easement Area pursuant to this Agreement interferes with any City municipal purpose, including any future City utility, PG&E shall relocate the interfering Utility Facilities, as

applicable, to the location that is mutually acceptable to both City and PG&E at City's sole cost. City shall provide PG&E with an easement under the same terms and conditions herein to a new location on the Property prior to the relocation of the interfering Utility Facilities.

If City exercises its relocation right under this Section, City shall deliver written notice (a "City Relocation Notice") of such election and submit a relocation request by following PG&E's then-current process. PG&E shall perform and complete any relocation work pursuant to this Section in a good and diligent manner and in compliance with all applicable laws.

- 4. <u>Term of Easement</u>. The easement given to PG&E pursuant to this Agreement shall commence on the date on which (i) the City's Board of Supervisors has adopted a resolution or ordinance approving this Agreement, and (ii) the parties hereto have duly executed and delivered this Agreement, and shall only terminate if PG&E surrenders or abandons and ceases use of the Easement Area for a continuous period of 2 years, or PG&E and City enter into an agreement that terminates this Agreement.
- 5. Compliance with Laws. PG&E shall, at its expense, conduct and cause to be conducted all activities on the Easement Area allowed hereunder in a safe and prudent manner and in compliance with all applicable laws, regulations, codes, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act), whether presently in effect or subsequently adopted. PG&E shall, at its sole expense, procure and maintain in force at all times during its use of the Easement Area any applicable business and other licenses or approvals necessary to conduct the activities allowed hereunder. PG&E understands and agrees that City is entering into this Agreement in its capacity as a property owner with a proprietary interest in the Easement Area and not as a regulatory agency with police powers. Nothing herein shall limit in any way PG&E's obligation to obtain any required regulatory approvals from City departments, boards or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.
- **6.** Covenant to Maintain Utility Facilities Within Easement Area. In connection with its use hereunder, PG&E shall at all times, at its sole cost, maintain the Utility Facilities within the Easement Area in a good, safe and secure condition.
- 7. Waiver of Claims; Waiver of Consequential and Incidental Damages. Neither City nor any of their respective commissions, departments, boards, officers, agents, partners or employees shall be liable for any consequential or incidental damages suffered by PG&E; or for damage to the property of PG&E, its officers, agents, employees, contractors or subcontractors, or their employees; or for any bodily injury or death to such persons; or for any other claim or damage of any kind resulting or arising from PG&E's use of the Easement Area. PG&E expressly waives any and all claims against the City arising from the use of the Easement Area by PG&E. The foregoing waiver shall not apply to any loss, claim, or damage to the property of PG&E within the Easement Area to the extent that any such loss, claim or damage results from the comparative negligence or willful misconduct of Cityor its commissions, departments, boards, officers, agents, partners or employees.
- **Repair of Damage; Additional Named Insured Certificate.** If any portion of the Easement Area or any property of City or any City licensee, sublicensee, tenant or subtenant located on or about the Easement Area is damaged by the Easement Activities conducted by PG&E hereunder, PG&E shall, at its sole cost, repair any and all such damage and restore such damaged Easement Area or property to as nearly as is practicable to its previous condition. To the extent applicable,

PG&E shall require that its commercial general liability insurance carrier name the City as an additional insured. PG&E shall have the right to self-insure with respect to any of the insurance requirements required under this Agreement. To the extent that PG&E is self-insured it shall treat the City as if it were an additional named insured under PG&E's insurance policies.

- 9. <u>Location of Utilities</u>. This Agreement is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens and claims of title affecting the Easement Area that are of record, as of the date of this Agreement. City has no responsibility or liability of any kind with respect to any utilities not owned by the City that may be on, in or under the Easement Area. PG&E is obligated to locate such utilities and protect them from damage for uses in connection with the Easement Activities.
- City's Right to Cure Defaults by PG&E. If PG&E fails to perform any of its obligations 10. under this Agreement, to restore the Easement Area or repair damage, or if PG&E defaults in the performance of any of its other obligations under this Agreement, City or Tenant may provide written notice of said default. After written notice is provided, PG&E shall have thirty (30) days to cure said default, provided, however, if the default is of a nature that it cannot reasonably be cured within such thirty (30) day period and PG&E commences to cure within such period and diligently prosecutes such cure, then PG&E shall have an additional sixty (60) days to cure such default or other additional time to cure such default in the reasonable discretion of the City or Tenant. If PG&E fails to cure said default within the foregoing cure period, then City or Tenant may, at its election, remedy such failure for PG&E's account, excluding any matter relating to the Utility Facilities, and at PG&E's expense by providing PG&E with thirty (30) days' prior written or oral notice of City's or Tenant's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City or Tenant). Such action by City or Tenant shall not be construed as a waiver of any rights or remedies of City or Tenant under this Agreement, and nothing herein shall imply any duty of City or Tenant to do any act that PG&E is obligated to perform. PG&E shall pay to City or Tenant upon demand, all actual and reasonable costs, damages, expenses or liabilities incurred by City or Tenant, as applicable, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. PG&E's obligations under this Section shall survive the termination of this Agreement.
- 11. <u>No Costs to City</u>. PG&E shall bear all costs or expenses of any kind or nature in connection with its use of the Easement Area and shall keep the Easement Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Easement Area.
- 12. <u>Indemnity</u>. PG&E shall indemnify and hold harmless City, and their respective officers, agents and employees from, and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability of every kind and nature arising from PG&E's use of the Easement Area or failure by PG&E to faithfully observe or perform any of the terms, covenants, or conditions under this Easement, including but not limited to its agents, employees, consultants, contractors, and/or invitees, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the comparative negligence or willful misconduct of City. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

In addition to PG&E's obligation to indemnify City, PG&E specifically acknowledges and agrees that it has an independent obligation to defend City from any claim which actually or

potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to PG&E by City and continues at all times thereafter.

13. "As Is" Condition; Disclaimer of Representations. PG&E accepts the Easement Area in its "AS IS" condition, without representation or warranty of any kind by City or Tenant, its officers, agents or employees, including, without limitation, the suitability, safety, or duration of availability of the Easement Area or any facilities on the Easement Area for PG&E's use. City and Tenant make no warranty as to the existence of any encumbrance or utility installations affecting the Easement Area, except for matters of record in the Official Records. Without limiting the foregoing, this Agreement is made subject to all applicable laws, rules and ordinances governing the use of the Easement Area, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the Easement Area of record in the Official Records, whether foreseen or unforeseen, and whether such matters are of record. It is PG&E's sole obligation to conduct an independent investigation of the Easement Area and all matters relating to its use of the Easement Area hereunder, including, without limitation, the suitability of the Easement Area for such uses.

PG&E, at its own expense, shall coordinate with third parties with existing rights as may be necessary for PG&E to make use of the Easement Area in the manner contemplated hereby.

- **14.** Assignment. Neither this Agreement, nor any right granted hereunder, shall be assigned, conveyed or otherwise transferred by PG&E without the prior written consent of City which may be given or withheld in City's sole discretion.
- 15. <u>No Joint Venture of Partnership; No Authorization</u>. This Agreement does not create a partnership or joint venture between City, Tenant and PG&E as to any activity conducted by PG&E on, in or relating to the Easement Area. PG&E is not a State actor with respect to any activity conducted by PG&E on, in, or under the Easement Area. The giving of this Agreement by City does not constitute authorization or approval by City in its regulatory capacity of any future activity conducted by PG&E on, in or relating to the Easement Area.
- 16. <u>MacBride Principles Northern Ireland</u>. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq*. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. PG&E acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

17. Non-Discrimination.

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

status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

- 17.2 <u>Subcontracts</u>. PG&E shall include in all subcontracts relating to the Easement Area a non-discrimination clause applicable to such subcontractor in substantially the form of <u>Subsection 18.1</u> above. In addition, PG&E shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions.
- Non-Discrimination in Benefits. PG&E does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- 17.4 <u>Condition to Agreement</u>. As a condition to this Agreement, PG&E shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). PG&E hereby represents that prior to execution of this Agreement, (i) PG&E executed and submitted to the HRC Form HRC-12B-101 with supporting documentation, and (ii) the HRC approved such form.
- Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non- discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. PG&E shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, PG&E understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against PG&E and/or deducted from any payments due PG&E.
- 18. <u>Tropical Hardwood and Virgin Redwood Ban</u>. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. PG&E agrees that, except as permitted by the application of Sections 802(b) and 803(b), PG&E shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Agreement.
- 19. <u>Notification of Limitations on Contributions</u>. Through its execution of this Agreement, PG&E 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 approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. PG&E 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. PG&E further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of PG&E's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in PG&E; any subcontractor listed in the contract; and any committee that is sponsored or controlled by PG&E. Additionally, PG&E acknowledges that PG&E must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. PG&E further agrees to provide to City the names of each person, entity or committee described above.

- **20.** Possessory Interest Taxes. PG&E recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that PG&E may be subject to the payment of property taxes levied on such interest under applicable law. PG&E agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on PG&E's interest under this Agreement or use of the Easement Area pursuant hereto and to pay any other taxes, excises, licenses, permit charges or assessments based on PG&E's usage of the Easement Area that may be imposed upon PG&E by applicable law. PG&E shall pay all of such charges when they become due and payable and before delinquency.
- **21.** Pesticide Prohibition. PG&E shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require PG&E to submit to the City's Office of the City Administrator, Real Estate Division, an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that PG&E may need to apply to the Easement Area during the term of this Agreement, (b) describes the steps PG&E will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the PG&E's primary IPM contact person with the City. In addition, PG&E shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.
- **Prohibition of Tobacco Sales and Advertising.** PG&E acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Easement Area. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.
- **23. Prohibition of Alcoholic Beverage Advertising**. PG&E acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Easement Area. For purposes of this section,

"alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

- **24.** Conflicts of Interest. Through its execution of this Agreement, PG&E 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 Sections 87100 *et seq.* and Sections 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 PG&E becomes aware of any such fact during the term of this Agreement, PG&E shall immediately notify the City.
- **25.** <u>Notices</u>. Except as otherwise expressly provided herein, any notices given under this Agreement shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail, with a return receipt requested, or overnight courier, return receipt requested, with postage prepaid, addressed as follows:

City: City and County of San Francisco Director of Property

City Hall, Room 362

1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4682

with copy to: Mayor's Office of Housing and Community

Development

1 South Van Ness, Fifth Floor San Francisco, CA 94102

Attn: Director

Tenant 4840 Mission Housing Associates LP

600 California Street, Suite 900

San Francisco CA 94108 Attn: General Counsel

PG&E: Pacific Gas and Electric Company

300 Lakeside Drive Oakland, CA 94612

Attn: Land Rights Library

Notices herein shall be deemed given two (2) days after the date when it shall have been mailed if sent by first class, certified or overnight courier, or upon the date personal delivery is made.

In the event of any emergency situation caused by PG&E's use of the Easement Area, the Utility Facilities, PG&E shall also immediately call the Property Management Divisions 24 hour

emergency line at (415) 553-1516 or Real Estate Divisions Main number (415) 554-9850 during business hours Monday through Friday 8:00 a.m. to 5:00 p.m.

- **26.** <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Electronic signatures shall be acceptable and deemed original.
- **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.
- General Provisions. (a) This Agreement may be amended or modified only by a writing 28. signed by City and PG&E and recorded in the Official Records of San Francisco County. (b) No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) Except as otherwise provided herein, all approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the Director of Property or other authorized City official, provided that such approvals and determinations shall not be unreasonably withheld, conditioned or delayed. (d) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (e) The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. (f) Time is of the essence. (g) This Agreement shall be governed by California law and the City's Charter. (h) Subject to the prohibition against assignments or other transfers by PG&E hereunder, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. During the term of the Ground Lease, the City will not, without the prior written consent of the Tenant (a) agree to amend, modify or assign this Agreement in a manner that would be adverse to the Project, including Project operations or (b) agree to terminate this Agreement. During the term of the Ground Lease (and any subsequent ground lease), City agrees to consult with Tenant prior to undertaking or consenting to any obligations under this Agreement that may affect the Project.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

144\344\3542807.1

PG&E represents and warrants to City and Tenant that it has read and understands the contents of this Agreement and agrees to comply with and be bound by all of its provisions.

PG&E:	PACIFIC GAS AND ELECTRIC COMPANY, a California corporation		
	By: Donzi De Souza, PLS Supervisor-South Coast Distribution Land Surveying and Engineering Support		
[Signature above must be notarized]			
Signatures continue on the next page			

	4840 Mission Housing Associates LP, a California limited partnership		
В	•	a Califo	lission Housing LLC, ornia limited liability company, aging general partner
		Ву:	BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member
		By: Smi	tha Seshadri, Executive Vice President

[Signature above must be notarized]

Signatures continue on the next page

CITY:	CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation			
	By: Andrico Q. Penick Director of Property			
[Signature above	[Signature above must be notarized]			
RECOMMENDED:				
By: Eric D. Shaw, Director Mayor's Office Housing and Community Development				
APPROVED AS TO FORM:				
DAVID CHIU, City Attorney				
By:				

Keith Nagayama, Deputy City Attorney

A notary public or other officer completing this certificate is attacked that document.	
State of California County of)	
On, before me,	
who proved to me on the basis of satisfactory evidence to be the instrument and acknowledged to me that he/she/they executed by his/her/their signature(s) on the instrument the person(s), executed the instrument.	the same in his/her/their authorized capacity(ies), and that
I certify under PENALTY OF PERJURY under the laws of the and correct.	State of California that the foregoing paragraph is true
WITNESS my hand and official seal.	
Signature of Notary Public	(Seal)
CAPACITY CLAIMED BY SIGNER	
[] Individual(s) signing for oneself/themselves	
[] Corporate Officer(s) of the above named corporation(s)	
[] Trustee(s) of the above named Trust(s)	
[] Partner(s) of the above named Partnership(s)	
[] Attorney(s)-in-Fact of the above named Principal(s)	
[] Other	

EXHIBIT A

Legal Description and Plat Map of Easement Area (Gas)

[See attached]

EXHIBIT B

Legal Description and Plat Map of Easement Area (Electric)

[See attached]

[Acquisition of Real Property - 4840 Mission Housing Associates LP - 4840 Mission Street - 100% Affordable Housing - \$0 in Exchange for \$8,150,000 Credit - Ground Lease with Base
 Rent of \$15,000 - Loan Not to Exceed \$28,751,450]

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Resolution 1) approving and authorizing the Director of Property, on behalf of the Mayor's Office of Housing and Community Development ("MOHCD"), to acquire Real Property, located at 4840 Mission Street ("Property") from 4840 Mission Housing Associates LP ("Developer") for \$0 in exchange for a \$8.150.000 credit; 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing for San Franciscans; 3) approving and authorizing a Loan Agreement in an amount not to exceed \$28,751,450 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 137-unit multifamily rental housing development (plus two staff units) on the Property for low income households with 40 parking spaces and an ancillary commercial space of approximately 4,407 square feet for public benefit or community-serving purposes ("Residential Project") and the construction of the cold shell for a nonprofit community-serving health clinic ("Clinic Project," and together with the Residential Project, the "Project"); 4) approving and authorizing an Agreement for Purchase and Sale for acquisition of the Property ("Purchase Agreement"); 5) approving and authorizing a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 in order to construct the Residential Project ("Residential Ground Lease"), and a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$5,000 in order to construct the Clinic Project ("Clinic Ground Lease"); 6) adopting findings that the Purchase Agreement, Loan Agreement, Residential Ground Lease, and Clinic Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code,

1	Section 101.1; and 7) authorizing the Director of Property and/or the Director of MOHCD
2	to execute the Purchase Agreement, Loan Agreement, Residential Ground Lease, and
3	Clinic Ground Lease, make certain modifications to such agreements, as defined
4	herein, and take certain actions in furtherance of this Resolution, as defined herein.
5	
6	WHEREAS, The City and County of San Francisco (the "City"), acting through
7	MOHCD, administers a variety of housing programs that provide financing for the
8	development of new affordable housing and the rehabilitation of single- and multi-family
9	housing for low- and moderate-income households and resources for homeowners in San
10	Francisco; and
11	WHEREAS, MOHCD enters into loan agreements with affordable housing developers
12	and operators; administers loan agreements; reviews annual audits and monitoring reports;
13	monitors compliance with affordable housing requirements in accordance with capital funding
14	regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and
15	WHEREAS, On April 18, 2016, MOHCD issued the Proposition A Notice of Funding
16	Availability ("NOFA"), for the acquisition and predevelopment financing for affordable
17	multifamily rental housing supported by 2015 General Obligation Housing Bond – Proposition
18	A; and
19	WHEREAS, BRIDGE Housing Corporation ("BRIDGE"), California nonprofit public
20	benefit corporation, responded to the NOFA, and the Project was selected for development
21	funding; and
22	WHEREAS, BRIDGE established 4840 Mission Housing Associates LP, a
23	California limited partnership (the "Developer"), as a separate entity under which to
24	develop the Project; and

1	WHEREAS, The Developer acquired the Property (Assessor's Parcel Block No.
2	0741, Lot No. 002) for the purpose of developing the Project; and
3	WHEREAS, MOHCD has evaluated the Property and confirmed that it can utilize the
4	Property for development of permanently affordable housing, and the City desires to acquire
5	the Property, and place under the jurisdiction of MOHCD, from Developer for the purpose of
6	constructing affordable housing; and
7	WHEREAS, By an authorization dated June 14, 2019 (the "Planning Department
8	Authorization"), the Planning Director authorized the affordable housing project authorization
9	for the Project, deeming the Project consistent with the General Plan and eight priority policies
10	of Planning Code, Section 101.1, a copy of the authorization with the is on file with the Clerk
11	of the Board of Supervisors in File No. 210383, and is incorporated herein by reference; and
12	WHEREAS, The City, through MOHCD and Real Estate Division, in consultation with
13	the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the
14	Property from Developer for \$0 in exchange for a \$8,150,000 credit substantially in the form
15	approved by the Director of Property and the Director of MOHCD and on file with the Clerk of
16	the Board of Supervisors in File No. 210383, incorporated herein by reference; and
17	WHEREAS, The Director of Property determines the Property to be at or below fair
18	market value, which was confirmed by an independent appraisal; and
19	WHEREAS, The Property will be delivered vacant at close of sale; and
20	WHEREAS, MOHCD and the Director of Property have approved the form of the
21	Residential Ground Lease between the City and the Developer, pursuant to which the City will
22	lease the Property back to the Developer for a term of 75 years and one 24-year option to
23	extend and a base rent of \$15,000 per year, in exchange for the Developer's agreement,
24	among other things, to construct and operate the Residential Project with rent levels

affordable to households up to 120% of unadjusted San Francisco Area Median Income (AMI)

1	with an average of 60% of AMI across the rental units, and a copy of the Residential Ground
2	Lease in a form substantially approved is on file with the Clerk of the Board of Supervisors in
3	File No. 210383, and is incorporated herein by reference; and
4	WHEREAS. The proposed rent of the Residential Ground Lease is less than Market

WHEREAS, The proposed rent of the Residential Ground Lease is less than Market Rent (as defined in Administrative Code, Section 23.2), but the lower rent will serve a public purpose by providing affordable housing for low-income households in need; and

WHEREAS, MOHCD and the Director of Property have approved the form of the Clinic Ground Lease between the City and the Developer, pursuant to which the City will lease the Property back to the Developer for a term of 75 years and one 24-year option to extend and a base rent of \$5,000 per year, in exchange for the Developer's agreement, among other things, to construct the Clinic Project, which will be operated by the Mission Neighborhood Health Center, and a copy of the Clinic Ground Lease in a form substantially approved is on file with the Clerk of the Board of Supervisors in File No. 210383, and is incorporated herein by reference; and

WHEREAS, The proposed rent of the Clinic Ground Lease is less than Market Rent (as defined in Administrative Code, Section 23.2), but the lower rent will serve a public purpose by providing a nonprofit community-serving health clinic and other public benefit purposes; and

WHEREAS, MOHCD is also providing the Developer with new financial assistance to leverage equity from an allocation of low-income housing tax credits and other funding sources in order for Developer to construct the Project; and

WHEREAS, On February 19, 2021, the Citywide Affordable Housing Loan Committee, consisting of MOHCD, Department of Homeless and Supportive Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of Public Finance recommended approval to the Mayor of the Loan Agreement for the Project in an amount not to exceed \$28,751,450 in local funds, a copy of which is in a form substantially approved is on

file with the Clerk of the Board of Supervisors in File No. 210383, and is incorporated herein
by reference; and

WHEREAS, The Loan Agreement would be entered into under the following material terms: (i) a minimum term of 57 years; (ii) an interest rate of up to three percent (3%); (iii) annual repayment of the Loan Agreement by Developer through residual receipts from the Project; (iv) the Project shall be restricted for life of the Project as affordable housing to low-income households with annual maximum rent and income established by MOHCD; and (v) the Loan Agreement shall be secured by a deed of trust recorded against each of the Developer's leasehold interest in the Property; and

WHEREAS, In consideration of and upon the Developer's conveyance of the Property to the City, MOHCD will apply a credit of \$8,150,000 to the outstanding balance and accrued interest under an existing predevelopment and acquisition loan agreement, subject to the conditions described in the Purchase Agreement; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby finds that the Project (and associated actions necessary to effectuate the Project) is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1, for the same reasons as set forth in the Planning Department Authorization, and hereby incorporates such findings by reference as though fully set forth in this Resolution; and, be it

FURTHER RESOLVED, That in accordance with the recommendation of the Director of MOHCD and the Director of Property, the Board of Supervisors approves the Purchase Agreement, Residential Ground Lease, and Clinic Ground Lease, each in substantially the form presented to the Board, and authorizes the Director of Property (or the Director's designee, as used throughout) and Director of MOHCD, to execute and deliver the Purchase Agreement, Residential Ground Lease, and Clinic Ground Lease, each in substantially the form presented to the Board, and any such other documents that are necessary or advisable

1	to complete the transaction contemplated by the Purchase Agreement, Residential Ground
2	Lease, and the Clinic Ground Lease, and to effectuate the purpose and intent of this
3	Resolution, and determines that the less than Market Rent payable under the Residential
4	Ground Lease and Clinic Ground Lease will serve a public purpose by providing affordable
5	housing for low-income households in need and a community-serving health clinic; and, be it

FURTHER RESOLVED, That MOHCD has legal authority, is willing, and is in a position financially and otherwise to assume immediate care and maintenance of the Property, and that the Director of Property, is hereby authorized to accept the deed to the Property from the Developer upon the closing in accordance with the terms and conditions of the Purchase Agreement, to place the Property under the jurisdiction of MOHCD, and to take any and all steps (including, but not limited to, the execution and delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing documents and other instruments or documents) as the Director of Property deems necessary or appropriate in order to acquire the Property pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property of any such documents; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan Agreement in substantially the form presented to the Board, and authorizes the Mayor and the Director of MOHCD (or the Director's designee, as used throughout), to execute and deliver the Loan Agreement and any such other documents that are necessary or advisable to complete the transaction contemplated by the Loan Agreement and to effectuate the purpose and intent of this Resolution; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property and/or Director of MOHCD, in consultation with the City Attorney, to enter into any additions, amendments, or other modifications to the Purchase Agreement, Residential

Ground Lease, Clinic Ground Lease, Loan Agreement, and any other documents or instruments necessary in connection therewith (including, without limitation, preparation and attachment or, or changes to, any of all of the exhibits and ancillary agreements), that the Director of Property and/or Director of MOHCD determine are in the best interests of the City, do not materially decrease the benefits to the City with respect to the Property, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated in the Purchase Agreement, Residential Ground Lease, Clinic Ground Lease, and Loan Agreement, and that effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property and/or the Director of MOHCD of any such additions, amendments, or other modifications; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and delegates to the Director of MOHCD and/or the Director of Property, the authority to undertake any actions necessary to protect the City's financial security in the Property and enforce the affordable housing restrictions, which may include, without limitation, acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed in lieu of foreclosure, or curing the default under a senior loan; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Purchase Agreement, the Residential Ground Lease, Clinic Ground Lease, and Loan Agreement being fully executed by all parties, MOHCD shall provide the final agreements to the Clerk of the Board for inclusion into the official file.

1	RECOMMENDED:
2	
3	
4	/s/ Andrico Q. Penick, Director of Property
5	
6	
7	/s/ Eric D. Shaw, Director Mayor's Office of Housing and Community Development
8	Mayor's Office of Flousing and Community Development
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	



City and County of San Francisco Tails

Resolution

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

File Number: 210383 Date Passed: May 04, 2021

Resolution 1) approving and authorizing the Director of Property, on behalf of the Mayor's Office of Housing and Community Development ("MOHCD"), to acquire real property located at 4840 Mission Street ("Property") from 4840 Mission Housing Associates LP ("Developer") for \$0 in exchange for a \$8,150,000 credit; 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing for San Franciscans; 3) approving and authorizing a Loan Agreement in an amount not to exceed \$28,751,450 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 137-unit multifamily rental housing development (plus two staff units) on the Property for low income households with 40 parking spaces and an ancillary commercial space of approximately 4,407 square feet for public benefit or community-serving purposes ("Residential Project") and the construction of the cold shell for a nonprofit community-serving health clinic ("Clinic Project." and together with the Residential Project, the "Project"); 4) approving and authorizing an Agreement for Purchase and Sale for acquisition of the Property ("Purchase Agreement"); 5) approving and authorizing a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 in order to construct the Residential Project ("Residential Ground Lease"), and a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$5,000 in order to construct the Clinic Project ("Clinic Ground Lease"); 6) adopting findings that the Purchase Agreement, Loan Agreement, Residential Ground Lease, and Clinic Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 7) authorizing the Director of Property and/or the Director of MOHCD to execute the Purchase Agreement, Loan Agreement, Residential Ground Lease, and Clinic Ground Lease, make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

April 28, 2021 Budget and Finance Committee - RECOMMENDED

May 04, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 5/4/2021 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor Date Approved

2
 3
 4

5 6

8

7

1011

1213

14 15

1617

18 19

2021

2223

24

25

[Affordable Housing Agreement - Pacific Gas and Electric Company - Term of Ten or More Years]

Resolution approving an agreement between the City and County of San Francisco and Pacific Gas and Electric Company establishing requirements for certain affordable housing projects to connect to the electric grid for a term of ten or more years, to commence following approval by the Federal Energy Regulatory Commission.

WHEREAS, The City and County of San Francisco ("City"), through the San Francisco Public Utilities Commission ("SFPUC"), has been providing electric service to affordable housing projects for decades; and

WHEREAS, In most cases, the SFPUC must obtain wholesale distribution service from Pacific Gas and Electric Company ("PG&E"), pursuant to the terms and conditions of PG&E's Wholesale Distribution Tariff on file with the Federal Energy Regulatory Commission ("FERC"), because the City does not own the electric distribution grid; and

WHEREAS, San Francisco housing costs are among the nation's highest and most unaffordable, with approximately one-third of households burdened with housing costs more than 30 percent of their income, and 17 percent of renters "extremely rent-burdened," meaning they spent 50 percent or more of their household income on rent; and

WHEREAS, San Francisco addresses this housing crisis in several ways, including by investing significant public funding to create new and preserve existing housing affordable to low- and moderate-income households; and

WHEREAS, In the past, at most affordable housing projects the SFPUC has obtained secondary voltage level service from PG&E; and

WHEREAS, In recent years, PG&E has required these and other projects to connect at primary voltage levels, using large, expensive equipment designed for much larger projects; and

WHEREAS, At many of the affordable housing projects being developed in San Francisco, it is both cost-prohibitive and infeasible due to space constraints to install the equipment necessary to obtain primary voltage electric service, therefore undermining San Francisco's strategies to address its affordable housing crisis; and

WHEREAS, The City and PG&E share a goal of supporting the development of high-quality 100 percent affordable housing in San Francisco and providing its residents with affordable electric service that will help protect vulnerable households and strengthen the City's diverse communities; and

WHEREAS, Under the terms of the agreement on file with the Clerk of the Board of Supervisors in File No. 211053, PG&E has agreed to provide secondary-level wholesale distribution service to SFPUC for new 100 percent affordable housing projects that are on City-owned land, subject to certain conditions ("Agreement"); and

WHEREAS, The Agreement will enable the SFPUC to provide electric service to some new affordable housing projects being developed in the next ten years or more; and

WHEREAS, The term of the Agreement is for ten years, but the SFPUC and PG&E may agree to extend the term for up to an additional five years without additional approval by this Board of Supervisors or the Public Utilities Commission; and

WHEREAS, The Agreement does not obligate the SFPUC to expend any City funds; and

WHEREAS, On September 28, 2021, in Resolution No. 21-0153, the SFPUC approved the Agreement and authorized the General Manager of the SFPUC to seek Board of Supervisors' approval of the Agreement; and

WHEREAS, Section 9.118(b) of the San Francisco Charter requires approval by the Board of Supervisors ("Board") for contracts in excess of ten years; and

WHEREAS, This Agreement will be submitted to the FERC for approval, if approved by this Board of Supervisors, and will not become effective unless approved by the FERC; now, therefore, be it

RESOLVED, That the Board approves the Agreement for a term of ten years or more from the effective date of the Agreement; and, be it

FURTHER RESOLVED, That the Board further authorizes the SFPUC General Manager to extend the term of the Agreement for up to an additional five years, subject to the agreement of PG&E; and

FURTHER RESOLVED, That the Board further authorizes the SFPUC General Manager to enter into any modifications and amendments to the Agreement that the General Manager determines, in consultation with the City Attorney, are in the best interests of the City and do not materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Agreement, and are in compliance with all applicable laws, including the City's Charter; and, be it

FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by the parties, the SFPUC shall provide it to the Clerk of the Board for inclusion in the official file.



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

211053

Date Passed: November 30, 2021

Resolution approving an agreement between the City and County of San Francisco and Pacific Gas and Electric Company establishing requirements for certain affordable housing projects to connect to the electric grid for a term of ten or more years, to commence following approval by the Federal Energy Regulatory Commission.

November 17, 2021 Budget and Finance Committee - RECOMMENDED

November 30, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 211053

I hereby certify that the foregoing Resolution was ADOPTED on 11/30/2021 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved

[Loan Amendment - 4840 Mission Associates, L.P. - 100% Affordable Housing - 4840 Mission Street - Not to Exceed \$37,728,757]

Resolution approving and authorizing the execution of a First Amendment to the Loan Agreement with 4840 Mission Associates, L.P., a California limited partnership, to increase the loan amount by \$8,977,307 for a new total loan amount not to exceed \$37,728,757 to finance additional construction costs related to the 100% affordable, 137-unit multifamily rental housing development (plus two staff unit) for low and moderate income households located at 4840 Mission Street; authorizing the Mayor and the Director of Mayor's Office of Housing and Community Development, to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein; and to authorize the Mayor and the Director of Mayor's Office of Housing and Community Development to enter into amendments or modifications to the First Amendment that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution.

WHEREAS, The City and County of San Francisco, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), administers a variety of housing programs that provide financing for the development of new housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households in San Francisco; and

WHEREAS, MOHCD enters into loan agreements with affordable housing developers and operators; administers loan agreements; reviews annual audits and monitoring reports; monitors compliance with affordable housing requirements in accordance with capital funding regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

WHEREAS, By an authorization dated June 14, 2019 (the "Planning Department Authorization"), the Planning Director authorized the affordable housing project authorization for the Project, deeming the Project consistent with the General Plan, and eight priority policies of Planning Code, Section 101.1, a copy of the authorization with the is on file with the Clerk of the Board of Supervisors in File No. 210383, and is incorporated herein by reference; and

WHEREAS, City is the fee owner of Assessor's Parcel Block No. 0741, Lot No. 002, also known by its street address as 4840 Mission Street ("the "Property"); and

WHEREAS, Under Resolution No. 208-21, the Board of Supervisors approved a Loan Agreement between the City and 4840 Mission Housing Associates, L.P., a California limited partnership ("Borrower"), with Bridge Housing Corporation as the Sponsor, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 210383 ("Loan Agreement"), and a loan in the amount up to \$28,751,450 (the "Loan") to the Borrower for development and construction of a 100% affordable 135-unit affordable rental property for extremely low-, very low-, low- and moderate-income households along with two managers units, including 4,407 square feet of commercial space for public benefit on the Property ("the "Project"); and

WHEREAS, On June 1, 2021, the Sponsor closed construction and permanent financing for the Project, which included tax exempt multifamily revenue bonds issued by the City and low income housing tax credits, and commenced construction of the Project on June 16, 2021; and

WHEREAS, Administrative Code, Section 99.3 requires all tenants of the City to receive electric service from the San Francisco Public Utilities Commission ("SFPUC") unless the SFPUC determines that such service is not feasible, but such tenants will continue to use the distribution infrastructure owned by Pacific Gas & Electric ("PG&E"); and

WHEREAS, Under Resolution No. 541-21, the Board of Supervisors approved an agreement between the City and PG&E ("PG&E Agreement") in which PG&E agreed to provide secondary-level wholesale distribution service to SFPUC for new 100 percent affordable housing projects that are on City-owned land; and

WHEREAS, The Sponsor was required to commence construction of the Project prior to approval and execution of the PG&E Agreement and could not determine the feasibility or the cost to change electric service from PG&E to the SFPUC prior to the required construction commencement date, which has resulted in additional construction costs that were not budgeted under the Loan Agreement and construction delays of over six months to negotiate new agreements and redesign the Project; and

WHEREAS, Because of the construction delay and new costs to switch to SFPUC electric service under the PG&E Agreement, the construction cost of the Project were increased by \$8,977,307; and

WHEREAS, To complete construction of the Project, the Sponsor requires additional funding to cover part of the increased construction costs; and

WHEREAS, The Citywide Affordable Housing Loan Committee, consisting of MOHCD, Department of Homeless and Supportive Housing, Office of Community Investment and Infrastructure, and the Controller's Office of Public Finance recommended approval to the Mayor of a loan increase for the Project in an amount not to exceed \$8,977,307; and

WHEREAS, MOHCD desires to increase the Loan by an amount not to exceed \$8,977,307 ("Additional Loan"), for a total loan to the Sponsor in the amount of \$37,728,757, pursuant to a First Amendment to the Loan Agreement ("First Amendment") in substantially the form on file with the Clerk of the Board of Supervisors in File No. 230318, and in such final form as approved by the Director of MOHCD and the City Attorney; and

WHEREAS, The material terms of the Loan Agreement, as amended by the First Amendment, include: (i) a minimum term of 55 years; (ii) no interest will accrue on the loan; (iii) annual repayment of the loan through residual receipts from the Project; (iv) the Project shall be restricted for the life of the Project as affordable housing to low- and moderate-income households with annual maximum rent and income established by MOHCD; (v) the loan shall be secured by the deed of trust currently recorded against the Sponsor's leasehold interest in the Property; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the First Amendment and authorizes the Mayor and the Director of MOHCD or his designee to enter into any amendments or modifications to the First Amendment (including, without limitation, preparation and attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any other documents or instruments necessary in connection therewith that the Director determines, in consultation with the City Attorney, are in the best interest of the City, do not materially increase the obligations or liabilities for the City or materially diminish the benefits of the City, are necessary or advisable to effectuate the purposes and intent of this Resolution and are in compliance with all applicable laws, including the City Charter; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and delegates to the Mayor and Director of MOHCD, and his designee, the authority to undertake any actions necessary to protect the City's financial security in the Property and enforce the affordable housing restrictions, which may include, curing the default under a senior loan; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully executed by all parties, MOHCD shall provide the final First Amendment to the Clerk of the Board for inclusion into the official file.



City and County of San Francisco Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 230318 Date Passed: April 25, 2023

Resolution approving and authorizing the execution of a First Amendment to the Loan Agreement with 4840 Mission Associates, L.P., a California limited partnership, to increase the loan amount by \$8,977,307 for a new total loan amount not to exceed \$37,728,757 to finance additional construction costs related to the 100% affordable, 137-unit multifamily rental housing development (plus two staff unit) for low and moderate income households located at 4840 Mission Street; authorizing the Mayor and the Director of Mayor's Office of Housing and Community Development, to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein; and to authorize the Mayor and the Director of Mayor's Office of Housing and Community Development to enter into amendments or modifications to the First Amendment that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution.

April 19, 2023 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 19, 2023 Budget and Finance Committee - REFERRED WITHOUT RECOMMENDATION AS AMENDED

April 25, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 4/25/2023 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor Date Approved