

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (**MOU**), dated as of March 31, 2023 (Effective Date), is by and between the San Francisco Municipal Transportation Agency (SFMTA) and the Mayor's Office of Housing and Community Development (MOHCD).

### RECITALS

A. The City and County of San Francisco (City), through MOHCD, will own the real property located at 160 Freelon Street, as more particularly described in the attached Exhibit A (160 Freelon Street) and has made a loan for predevelopment costs and construction of an 85-unit affordable housing development (160 Freelon Family Housing Project), to a subsidiary of Related California and San Francisco Housing Development Corporation.

B. BRIDGE Housing owns the real property located generally in the Balboa Reservoir, near the corner of Frida Kahlo Way and Ocean Avenue, as more particularly described in the attached Exhibit B (Balboa Reservoir Building A), and the City, through MOHCD, has made a loan for predevelopment costs and construction of a 159-unit affordable housing development (Reservoir Building B Housing Project) to a subsidiary of BRIDGE Housing.

C. The City and County of San Francisco (City), through the Office of Community Investment and Infrastructure (OCII), owns the real property located at 200 Folsom Street, as more particularly described in the attached Exhibit C (200 Folsom Street) and has made a loan for predevelopment costs and construction of an 184-unit affordable housing development (Transbay Block 2A Family Housing Project), to a subsidiary of Mercy Housing California.

D. MidPen Housing Corporation has executed a Ground Lease Option Agreement to the real property at 850 Turk, as more particularly described in the attached Exhibit D (850 Turk Street) and has approval from the State of California to construction of a 92-unit affordable housing development (850 Turk Family Housing Project), to a subsidiary of MidPen Housing.

E. On January 20, 2023, the State of California's Strategic Growth Council and the Department of Housing and Community Development issued a Notice of Funding Availability, under the Affordable Housing and Sustainable Communities (AHSC) Program established under Public Resources Code Sections 75200, et seq. The AHSC Program provides grants and loans to applicants identified through a competitive process for the development of projects that, under the Program Guidelines, will achieve greenhouse gas reductions and benefit disadvantaged communities through increased accessibility to affordable housing, employment centers, and key destinations via low-carbon transportation.

F. MOHCD identified the 160 Freelon Family Housing, Reservoir Block A Housing,

850 Turk Family Housing, and Transbay 2A Family Housing (collectively, the Housing Projects) as strong candidates for AHSC Program funding.

G. The SFMTA has identified qualified sustainable transportation improvements, which include transit capital improvements along Howard Streetscape, Transit Only Lane colorization and 3<sup>rd</sup> Street Transit and Safety Project for 160 Freelon Family Project (160 Freelon Family Transportation Improvements), improvements along the 29 Sunset route for the Reservoir Building A (Reservoir Building A Transportation Improvements), transit priority signals for Transbay 2A (Transbay Transportation Improvements), and Better Market Streets bike, ped and transit improvements for 850 Turk Family Project (850 Turk Family Transportation Improvements).

H. The City, through MOHCD intends to jointly submit an AHSC application for the 160 Freelon Family with a subsidiary of Related California and San Francisco Housing Corporation, which includes the 160 Freelon Family Housing Project and 160 Freelon Family Transportation Improvements. MOHCD will request up to \$50,000,000 for the 160 Freelon Family Housing Project, including up to \$10,325,000 for the 160 Freelon Transportation Improvements in the AHSC application.

I. Similarly, the City, through MOHCD, intends to jointly submit an AHSC application for Reservoir Building A Housing Project with a subsidiary of BRIDGE Housing, which includes the Reservoir Building A Project and the Reservoir Building A Transportation Improvements. MOHCD will request up to \$50,000,000 for the Reservoir Building A Housing Project, including up to \$4,000,000 for the Reservoir Building A Transportation Improvements in the AHSC application for MTA work.

J. In addition, the City, through MOHCD, intends to jointly submit an AHSC application for 850 Turk Family Housing Project with a subsidiary of MidPen Housing Corporation, which includes the 850 Turk Family Project and the 850 Turk Family Transportation Improvements. MOHCD will request up to \$50,000,000 for the 850 Turk Family Housing Project including up to \$9,200,000 for 850 Turk Family Housing Transportation Improvements in the AHSC application for MTA work.

K. In addition, the City, through MOHCD, intends to jointly submit an AHSC application for Transbay 2A Housing Project with a subsidiary of Mercy Housing, which includes the Transbay 2A Project and the Transbay 2A Transportation Improvements. MOHCD will request up to \$50,000,000 for the Transbay 2A Housing Project, including up to \$1,800,000 for the Transbay 2A Transportation Improvements in the AHSC application for MTA work.

L. Should the State approve the respective applications and award all grants, including the funds for the 160 Freelon Family Transportation Improvements, the Reservoir Building A Transportation Improvements, the Transbay Transportation Improvements, and the 850 Turk Family Transportation Improvements (collectively, the Transportation Improvements), such grant funds will be delivered to the SFMTA, on a reimbursement basis, for the SFMTA's work on the Transportation Improvements.

NOW, THEREFORE, the parties agree as follows:

## AGREEMENT

1. Award Amounts. For the 160 Freelon Family, MOHCD will receive up to \$35,000,000 of the award for the 160 Freelon Family Housing Project, and the SFMTA will receive up to \$10,325,000 for the 160 Freelon Family Transportation Improvements. For Reservoir Building A, MOHCD will receive up to \$35,000,000 of the award for the Reservoir Building A Housing Project, and the SFMTA will receive up to \$4,000,000 for the Reservoir Building A Transportation Improvements. For Transbay 2A, MOHCD will receive up to \$35,000,000 of the award for the Transbay 2A Housing Project, and the SFMTA will receive up to \$1,800,000 for the Transbay 2A Transportation Improvements. For the 850 Turk Family, MidPen Housing Corporation will receive up to \$35,000,000 of the award for the 850 Turk Family Housing Project, and SFMTA will receive up to \$9,200,000 for the 850 Turk Family Transportation Improvements. Each of the respective City agencies must comply with State regulations and guidance governing the disbursement of the AHSC funds. Each of the respective City agencies must comply with State regulations and guidance governing the disbursement of the AHSC funds.

2. Project Collaboration. In order for the Housing Projects to successfully utilize Transportation Improvements, MOHCD and the SFMTA must collaborate effectively, and both agencies must have authority to review applications for funding related to the GHG reduction goals of the AHSC program. In furtherance of such goals, MOHCD and the SFMTA will each designate a single Project Manager for the Transportation Improvement Projects, who will serve as the points of contact for communications relating to all of the Transportation Improvement Projects and will be primarily responsible for coordinating the review, comments and approvals of their respective agencies relating to the matters described in this MOU. While MOHCD will have overall responsibility for all aspects of the development of the Housing Projects, the SFMTA will retain control of the Transportation Improvement Projects.

a. Community Engagement. MOHCD will be solely responsible for community engagement and building community support related to the Housing Projects. MOHCD will notify the SFMTA in advance of any public meeting regarding the Housing Projects, and MOHCD and the SFMTA will collaborate to provide timely information to the public. The SFMTA will be solely responsible for community engagement and building community support related to the Transportation Improvements. The SFMTA will notify MOHCD in advance of any public meeting regarding the Transportation Improvements, and MOHCD and the SFMTA will collaborate to provide timely information to the public.

b. Affordable Housing Development Plan. MOHCD will be primarily responsible for coordinating the development plans with Related California and San Francisco Housing Development Corporation (160 Freelon Family Housing Project), BRIDGE Housing (Reservoir Building A Housing Project), MidPen Housing Corporation (850 Turk Family Housing Project), and Mercy Housing California (Transbay 2A Housing Project)

c. Transportation Improvements. Subject to completion of environmental

review of the Transportation Improvements and selection of any or all Transportation Improvements for implementation, the SFMTA will be responsible for implementing the projects and coordinating any such implementation with the developers of the respective development projects.

d. Project Costs. MOHCD will assume all development costs associated with the Housing Projects. The SFMTA will not be responsible for any development costs of the Housing Projects other than its own staff time, and will be responsible for all costs directly associated with the consultation, advice, review, and possible implementation of the Transportation Improvements (Transportation Improvement Costs or Costs).

e. Joint and Several Liability. The City, acting through MOHCD, shall assume any joint and several liability (with the respective developers) for completion of the Transportation Improvements required by the terms of any grant awarded under the AHSC Program. MOHCD shall assume any joint and several liability for completion of Housing Projects required by the terms of the grants awarded under the AHSC Program.

f. Costs Reimbursement for Transportation Improvements. MOHCD will submit work authorization(s) or work order(s), as required by the Controller, to the SFMTA for all incurred Transportation Improvement Costs. The SFMTA will charge MOHCD and provide appropriate backup documentation (e.g., invoices from contractors). The SFMTA will be responsible for any costs that may be disallowed by the AHSC Program.

3. Term. The term of this MOU shall commence on the Effective Date and terminate upon completion of the AHSC requirements for the Transportation Improvements, should they be implemented. In addition, MOHCD and the SFMTA agree that if the Transportation Improvements are infeasible for any reason at any time prior to execution of the commitment from AHSC (the Standard Agreement), then either party may terminate this MOU upon written notice to the other.

4. Notices. All notices, demands, consents or approvals that are or may be required to be given by either party to the other under this MOU shall be in writing and shall be deemed to have been fully given when delivered in person, and addressed as follows:

If to the SFMTA:                      Municipal Transportation Agency  
1 South Van Ness Avenue, 7th Floor  
San Francisco, CA 94103  
Attn: Joel Goldberg  
Joel.Goldberg@sfmta.com

If to MOHCD:                         Mayor's Office of Housing and Community Development  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, California 94103  
Attn: Eric D. Shaw, Director

Eric.Shaw@sfgov.org

or such other address that a party may from time to time designate by notice to the other parties given pursuant to the provisions of this Section.

5. Authority. All matters requiring MOHCD's approval shall be approved by the Director of MOHCD or his or her designee. All matters requiring the SFMTA's approval shall be approved by the SFMTA's Director of Transportation or his or her designee.

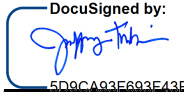
Cooperation. The SFMTA and MOHCD acknowledge and agree that the Housing Projects, the Transportation Improvements are in the predevelopment phase, and that some of the Transportation Improvements have not undergone environmental review. Should the Transportation Improvements be selected for implementation, the SFMTA and MOHCD shall use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to complete the Transportation Improvements according to the terms of the State's Standard Agreement. Notwithstanding anything to the contrary in this MOU, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the actions described in this MOU, including, without limitation, the discretion to eliminate or substitute all or any portion of the Transportation Improvements

6. Miscellaneous. (a) This MOU may be amended or modified only by a document signed by the SFMTA's Director of Transportation, or his or her designee, and the Director of MOHCD, or his or her designee. (b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by the party's authorized representative, and only to the extent expressly provided in such written waiver. (c) This MOU (including all exhibits) contains the entire understanding between the parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed as of the date first written above.

SFMTA:

SAN FRANCISCO MUNICIPAL  
TRANSPORTATION AGENCY

By:   
5D9CA93E603E43E  
Jeffrey P. Tumlin  
Director of Transportation  
3/30/2023 | 3:41 PM PDT  
Date: \_\_\_\_\_

MOHCD:

MAYOR'S OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT

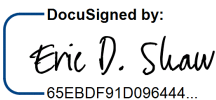
By:   
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Eric D. Shaw,  
Director  
3/30/2023 | 4:17 PM PDT  
Date: \_\_\_\_\_

Exhibit A  
160 Freelon Family Property

Exhibit B  
Reservoir Building A Property



Exhibit C  
200 Folsom Street

Exhibit E  
850 Turk Street