

Attachment 12: Other Sites for Transformation Plan Activities

McCormack Baron Salazar

Att12_Other_Sites_Docs.pdf

Attachment 12: Other Sites for Transformation Plan Activities

Other sites for activities in the Eastern Bayview/Alice Griffith Transformation Plan consist of the following:

- Portions of the Alice Griffith site owned by the San Francisco Housing Authority that will not contain replacement units. Documentation is provided through grant deeds included in Attachment 11.
- San Francisco Housing Authority parcels at Hunters View, which are part of the Transformation Plan goal of increasing the stock of high-quality affordable housing in the Neighborhood. Documentation is provided through an LOI from SFHA.
- San Francisco Redevelopment Agency-owned property at 5800 Third Street, which is part of the Transformation Plan goal of increasing the stock of high-quality affordable housing in the Neighborhood. Documentation is provided through an LOI from SFRA.
- The Candlestick Park site and otherwise largely vacant Candlestick Point parcels currently owned by the State of California and the City and County of San Francisco, which are the location for proposed housing, retail, office, and recreation uses. Documentation is provided through an LOI from the San Francisco City Attorney, which references executed documents obligating the parties to the land exchanges necessary for implementation of the Transformation Plan.
- Vacant, privately held parcels in Candlestick Point. Note that LOIs are not included for these parcels because their square footage relative to the rest of the Other Sites for Transformation Plan Activities in the Neighborhood is negligible, and these parcels are not necessary in order to implement the Transformation Plan.

All of the lands described above are included in the attached table, “Other Sites for Transformation Plan Activities Documentation.”

EASTERN BAYVIEW/ALICE GRIFFITH TRANSFORMATION PLAN ACTIVITIES DOCUMENTATION
ATTACHMENT 12: OTHER SITES FOR TRANSFORMATION PLAN ACTIVITIES DOCUMENTATION

Block/Lot	Property Name	Owner	Documented Evidence for Parcel	Location of Documented Evidence and Additional Detail
4884 026	Alice Griffith	San Francisco Housing Authority	Grant Deeds	Attachment 11
4624 004	Hunters View	San Francisco Housing Authority	San Francisco Housing Authority LOI	Attachment 12 - Page 260
4624 003	Hunters View	San Francisco Housing Authority	San Francisco Housing Authority LOI	Attachment 12 - Page 260
5431A 001	3800 Third Street	San Francisco Redevelopment Agency	San Francisco Redevelopment Agency LOI	Attachment 12 - Page 261
5000 001	Candlestick Park: CHPS2 Development	SF Recreation & Parks Department	Letter from SF City Attorney documenting City/Agency/State land exchange agreements ("SF City Attorney Letter")	Attachment 12 - Page 262
4983 025	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4886 008	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
5005 003	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
5005 004	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
5005 005	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
5005 016	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
5005 001	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4917 002	Port Lands: CHPS2 Development	SF City and County	SF City Attorney Letter	Attachment 12 - Page 262
5025 028	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 004	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 005	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 006	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 007	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 009	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 010	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 011	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 013	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 014	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 008	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4956 012	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4960 027	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4935 002	Port Lands: CHPS2 Development	SF City and County	SF City Attorney Letter	Attachment 12 - Page 262
4982 001	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4983 001	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4984 001	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4984 002	Candlestick Pt. State Recreation Area: CHPS2 Development	State of California	SF City Attorney Letter	Attachment 12 - Page 262
4917 001	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Attachment 12 - Page 262
4917 003	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Privately owned parcel; not essential to Transformation Plan
4918 001	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 002	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 004	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 005	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 006	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 007	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 021	CHPS2 Development	LEASECO	N/A	Privately owned parcel; not essential to Transformation Plan
4918 022	CHPS2 Development	LEASECO	N/A	Privately owned parcel; not essential to Transformation Plan
4918 023	CHPS2 Development	OBRIAN SEOSAMH	N/A	Privately owned parcel; not essential to Transformation Plan
4918 024	CHPS2 Development	OBRIAN SEOSAMH	N/A	Privately owned parcel; not essential to Transformation Plan
4918 025	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Privately owned parcel; not essential to Transformation Plan
4918 003	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4918 008	CHPS2 Development	FUNG YEE WING & TSIN WING F	N/A	Privately owned parcel; not essential to Transformation Plan
4934 003	CHPS2 Development	FUNG TSIN WING	N/A	Privately owned parcel; not essential to Transformation Plan
4935 001	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Privately owned parcel; not essential to Transformation Plan
4935 003	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Privately owned parcel; not essential to Transformation Plan
4934 002	CHPS2 Development	MURPHY PROPERTIES INC	N/A	Privately owned parcel; not essential to Transformation Plan
5278 016	CHPS2 Development	JENSEN & MAYTA	N/A	Privately owned parcel; not essential to Transformation Plan



SAN FRANCISCO HOUSING AUTHORITY

1815 Egbert Street • San Francisco, California • 94124 • (415) 715-3280

May 16, 2011

Mr. Vincent R. Bennett
Chief Operating Officer
McCormack Baron Salazar
720 Olive Street, Ste. 2500
St. Louis, MO 63101-2313

Re: Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods Initiative Grant Application; Other Sites for Transformation Activities – Attachment 12

Dear Mr. Bennett:

This letter affirms that the San Francisco Housing Authority is the property owner of certain parcels located within Assessor's Block 4624, which is the public housing development known as Hunters View. This development is included in the Target Neighborhood identified in the Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods application.

As described in the Eastern Bayview/Alice Griffith Transformation Plan ("Transformation Plan"), Hunters View is currently being revitalized as a HOPE SF mixed finance public housing redevelopment site. Its final configuration will include the one-for-one replacement of all 267 public housing units, through a combination of public housing and project based voucher units, built within a new, mixed-income community that also will include other affordable units, below-market units and market-rate housing, as described in the Transformation Plan. The Hunters View revitalization program was approved by HUD and has the financial and political support of the Authority, the State of California, the City of San Francisco, the San Francisco Redevelopment Agency, and private entities.

Please contact me if you have any questions regarding the San Francisco Housing Authority's redevelopment program for Hunters View, and its inclusion in the transformation of the Eastern Bayview.

Sincerely,

Henry A. Alvarez, III
Executive Director



May 19, 2011

118-48611-128

Mr. Vincent R. Bennett
Chief Operating Officer
McCormack Baron Salazar
720 Olive Street, Ste. 2500
St. Louis, MO 63101-2313

Re: Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods Initiative Grant Application; Other Sites for Transformation Activities – Attachment 12

Dear Mr. Bennett:

This letter confirms that the San Francisco Redevelopment Agency is the property owner of Assessor's Parcel 5431A-042, located at 5800 Third Street. This parcel is identified in the Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods application ("Alice Griffith Choice Grant") as the future site of service-enriched, affordable senior housing, with a ground floor senior services center.

The Redevelopment Agency Commission has approved the use of this site for the purpose described in the Alice Griffith Choice Grant on two separate occasions to date: on September 21, 2010, the Commission authorized an Assignment and Assumption Agreement and requisite funding enabling the Agency to purchase the site for the purpose of affordable senior housing development. On January 18, 2011, the Commission authorized the expenditure of predevelopment funds for senior housing development. The 5800 Third Street development team is currently engaged in predevelopment work, and we look forward to construction commencement on this important resource for Eastern Bayview and Alice Griffith seniors.

Please contact me if you have any questions regarding the Agency's development plan for supportive affordable senior housing at 5800 Third Street.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fred Blackwell", is written over a horizontal line.

Fred Blackwell
Executive Director

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY



DENNIS J. HERRERA
City Attorney

CHARLES SULLIVAN
Deputy City Attorney

DIRECT DIAL: (415) 554-4735
E-MAIL: charles.sullivan@sfgov.org

May 4, 2011

Mr. Henry Alvarez
Executive Director
San Francisco Housing Authority
1815 Egbert Avenue
San Francisco, 94124

Re: Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods Initiative Grant Application – Other Sites for Transformation Plan Activities, Attachment 12; Section III.C.2.a.2

Dear Mr. Alvarez:

This letter responds to the requirements of Section III.C.2.a.2 – “Other Sites for Transformation Plan Activities,” of the Choice Neighborhoods Initiative-Implementation Grant Notice of Funding Availability, Round 2 (“Choice Grant”), issued by the U.S. Department of Housing and Urban Development (“HUD”).

On June 3, 2010, by Resolution No. 69-2010, the Redevelopment Agency of the City and County of San Francisco (“Agency”) authorized that certain Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard between the Agency and CP Development Co., LP (“CP-HPS2 DDA”). As you know, the Agency entered into the CP-HPS2 DDA and took a series of approval actions in furtherance of the proposed development plan described in the CP-HPS2 DDA (the “Project”).

The development plan for the Project permits up to 7,850 mixed-income housing units, 755,000 square feet of retail, 150,000 square feet of office, and 50,000 square feet of community uses (755,000 s.f.), and approximately 104 acres of parklands, all on the Candlestick Site. The Candlestick Site includes the Alice Griffith Public Housing development and the target neighborhood of the Eastern Bayview/Alice Griffith Public Housing Transformation Plan (the “Alice Griffith Plan”) submitted by the San Francisco Housing Authority (the “Housing Authority”) and McCormack Baron Salazar to HUD for Choice Grant funding.

As contemplated by the CP-HPS2 DDA, the Agency entered into (i) a Hunter’s Point Shipyard/Candlestick Point public trust land exchange and boundary settlement with the California State Lands Commission, the City and County of San Francisco (the “City”), and the California Department of Parks and Recreation (the “Public Trust Exchange Agreement”), and (ii) a Candlestick Point State Recreation Area Reconfiguration, Improvement and Transfer Agreement with the California State Lands Commission and the California Department of Parks and Recreation (the “State Parks Agreement”). These agreements were unanimously approved by the Agency Commission and the California State Lands Commission.

These agreements authorize the transfer of lands within the Candlestick Site and permit development of the Candlestick Site consistent with the Project and State Senate Bill Number

Letter to Mr. Henry Alvarez
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May 4, 2011

792 (approved in October 2009 to permit State public trust and park exchanges in furtherance of the Project). In particular, these agreements allow for identified lands to be used for the development of housing (including Alice Griffith) and commercial uses, and land adjacent to the waterfront to be used for recreation and other public trust consistent uses. The land transfers will occur in phases, and the parties to the CP-HPS2 DDA have agreed to cause the Alice Griffith transfers and redevelopment to occur in the initial phases of the Project.

In addition to the Agency approvals and actions described above, the City adopted a number of zoning and land use measures and approved various transaction documents consistent with the Project, including without limitation (i) an Agreement for the Transfer of Real Property by and between the City and the Agency, (ii) the Public Trust Exchange Agreement, and (iii) an Interagency Cooperation Agreement between the City and the Agency relating to the City's role in the proposed Project, including provisions relating to the use of the City's land (collectively, the "City Land Transfer Agreements").

As part of the City Land Transfer Agreements, the City has committed to transfer its interest in the Candlestick Site to the Agency for land assembly and development consistent with the Project, including such lands that may then be transferred by the Agency to the Housing Authority for the Alice Griffith redevelopment or to the State of California consistent with the Public Trust Exchange Agreement and the State Parks Agreement.

Together, the CP-HPS2 DDA, the Public Trust Exchange Agreement, the State Parks Agreement, and the City Land Transfer Agreements establish the intent and commitment of the Agency, the City and the State of California to convey and assemble the real property owned by each of them within the Candlestick Site for the uses indicated in the CP-HPS2 DDA, including but not limited to the Alice Griffith redevelopment. For your information, we attach a table provided by Agency staff that identifies the applicable properties by block and lot number and the current owner of the lots.

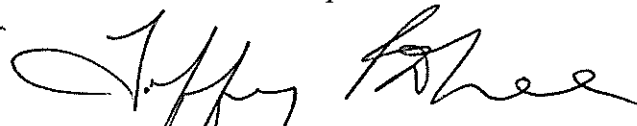
The City and the Agency have repeatedly and publicly committed to the redevelopment of Alice Griffith consistent with the Eastern Bayview/Alice Griffith Choice Neighborhoods application. We look forward to working with you to ensure the successful implementation of this ambitious project aided, we hope, by a Choice Grant award. Please do not hesitate to contact me with questions regarding this letter.

Very truly yours,

DENNIS J. HERRERA
City Attorney


Charles Sullivan
Deputy City Attorney

CITY AND COUNTY OF SAN FRANCISCO,
acting through its Office of Economic and
Workforce Development


Tiffany Bohee, Project Manager

Attachment 13: Land Use Approvals

McCormack Baron Salazar

Att13_Land_Use_Approvals.pdf



110-006.11-164

May 6, 2011

Mr. Henry Alvarez
Executive Director
San Francisco Housing Authority
1815 Egbert Avenue
San Francisco, 94124

Mr. Vincent R. Bennett
Chief Operating Officer
McCormack Baron Salazar
720 Olive Street, Ste. 2500
St. Louis, MO 63101-2313

Re: Eastern Bayview/Alice Griffith Public Housing Choice Neighborhoods Initiative Grant Application, Attachment 13: Land Use Approvals, NOFA Section V.A.1.a.8

Dear Messrs. Alvarez and Bennett:

This letter responds to the requirements of Section V.A.1.a.8 – “Land Use Approvals,” of the Choice Neighborhoods Initiative-Implementation Grant Notice of Funding Availability, Round 2 (“Choice Grant”), issued by the U.S. Department of Housing and Urban Development (“HUD”).

Land use approvals for the developable area included within the Eastern Bayview/Alice Griffith “Neighborhood” as that area is defined in the Eastern Bayview/Alice Griffith Transformation Plan, are contained in a series of approved resolutions issued by the Redevelopment Agency of the City and County of San Francisco (“Agency”) and by approvals issued by the San Francisco Planning Commission (“Planning Commission”) on June 3, 2010, as follows:

1) By Resolution No. 69-2010, the Agency Commission authorized that certain Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard between the Agency and CP Development Co., LP (“CP-HPS2 DDA”). The CP-HPS2 DDA sets forth the terms by which CP Development Co., as master developer working pursuant to the requirements of the Agency, will redevelop approximately 700 acres of vacant and underutilized land in San Francisco’s Candlestick Point and Hunters Point Shipyard neighborhoods as new housing, commercial, retail, and recreational uses (the “Project”). Development sites identified in the Eastern Bayview/Alice Griffith Transformation Plan are contained within the Project area.

Mr. Henry Alvarez
Executive Director
San Francisco Housing Authority
and
Mr. Vincent R. Bennett
Chief Operating Officer
McCormack Baron Salazar
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2) By Agency Resolution No. 58-2010 and by Planning Commission Motion No. 18096, the Agency and Planning Commission, acting together as co-lead agencies for conducting environmental review for the Project, certified a Final Environmental Impact Report (the “Phase II Final EIR”) for development of the Project area as adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (“CEQA”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.).

3) By Resolution No. 59-2010, the Agency Commission adopted CEQA findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Project. The Phase II Final EIR is a project EIR under CEQA Guidelines Section 15161 and a redevelopment plan EIR under CEQA Guidelines Section 15180. The Agency Commission’s authorization of the CP-HPS2 DDA was based on the CEQA findings set forth in Resolution No. 59-2010.

4) By Agency Resolution No. 63-2010, the Agency Commission approved a Redevelopment Plan Amendment for the Bayview Hunters Point Redevelopment Project Area; made certain findings under CEQA; and recommended adoption of the proposed Redevelopment Plan Amendment by the San Francisco Board of Supervisors. The San Francisco Board of Supervisors approved the Redevelopment Plan Amendment by Ordinance Number 2010-10 on August 3, 2010. The developable sites in the Eastern Bayview/Alice Griffith Transformation Plan are located within the Bayview Hunters Point Redevelopment Project Area.

5) By Resolution No. 65-2010, the Agency Commission approved the “Candlestick Point Design for Development Document for Zone One of the Bayview Hunters Point Redevelopment Project” (“Candlestick D4D”). The Candlestick D4D establishes the development standards and guidelines that govern all future design and development at Candlestick Point, including land use, building design, open space and street design. The Candlestick Point D4D’s jurisdiction includes the Alice Griffith Public Housing site and the developable land at Candlestick Point within the Eastern Bayview/Alice Griffith Neighborhood.

Together, these actions by the Agency, the Planning Commission, and the San Francisco Board of Supervisors provide all required, discretionary land use approvals for all phases of the Alice Griffith Transformation Plan and its projected development program: one-for-one replacement of 256 Alice Griffith public housing units, built together with 248 new, affordable family rental units; approximately 700 additional market-rate and below market-rate units constructed on the existing Alice Griffith site for the creation of a new, mixed-income community; new community facilities for the Alice Griffith site, including an early childhood learning center and new community center; and new recreational and open space uses. In addition, these actions establish

Mr. Henry Alvarez
Executive Director
San Francisco Housing Authority
and
Mr. Vincent R. Bennett
Chief Operating Officer
McCormack Baron Salazar
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land use approvals for the planned redevelopment of the larger Candlestick Point neighborhood, including 6,640 new market-rate and below market-rate housing units, new retail, commercial, and open space uses.

Pursuant to the Candlestick D4D, the Agency is the regulatory body for determination of compliance with all land uses controls and for design review approvals for Candlestick Point and Alice Griffith Transformation Plan properties.

Please do not hesitate to contact me if you have any questions regarding land use approvals for the Eastern Bayview/Alice Griffith Transformation Plan.

Sincerely,



Stanley Muraoka
Environmental Review Officer

cc: Kate Hartley

Attachment 14: Capital Fund Financing Program (CFFP) Documentation

McCormack Baron Salazar

Att14_CFFP_Documentation.pdf



SAN FRANCISCO HOUSING AUTHORITY

1815 Egbert Avenue • San Francisco CA • 94124 • (415) 715-3210

May 5, 2011

Assistant Secretary for Public and Indian Housing
Office of Multifamily Housing Programs
U.S. Department of Housing and Urban Development

Subject: Choice Neighborhoods Initiative Application – Alice Griffith, San Francisco
Opinion of Legal Counsel Regarding Planned Capital Fund Financing Program

The San Francisco Housing Authority is planning to submit a proposal for the Capital Fund Financing Program (CFFP) to HUD before the expected announcement of the Choice Neighborhoods Initiative awards. It is the opinion of the San Francisco Housing Authority's legal counsel that the activities proposed under the Choice Neighborhoods application will be permitted under the financing documents for the CFFP.

Sincerely,

Tim Larsen
General Counsel



SAN FRANCISCO HOUSING AUTHORITY

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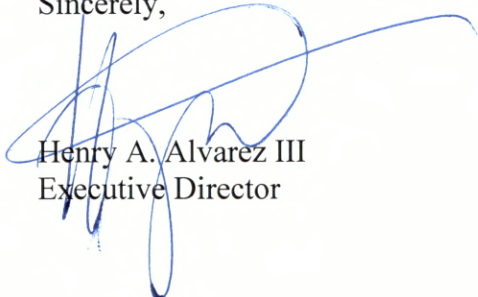
May 9, 2011

Assistant Secretary for Public and Indian Housing
Office of Multifamily Housing Programs
U.S. Department of Housing and Urban Development

Subject: Choice Neighborhoods Initiative Application – Alice Griffith, San Francisco
Executive Director Certification Regarding Planned Capital Fund Financing
Program

The San Francisco Housing Authority is planning to submit to HUD a proposal for the Capital Fund Financing Program (CFFP) before the expected announcement of the Choice Neighborhoods Initiative awards. Capital Fund projections in this CFFP are planned to accurately and completely incorporate the reduction in public housing units that would be caused by the Alice Griffith Choice Neighborhoods activity if the Choice Neighborhoods grant is awarded. If the Capital Fund projections in the CFFP do not accurately and completely incorporate the reduction in units caused by Choice Neighborhoods activity, SFHA will use Capital Funds, or other eligible funds to defease, redeem, or otherwise prepay the CFFP financing supporting or related to the reduction in the Alice Griffith units.

Sincerely,



Henry A. Alvarez III
Executive Director

Attachment 15: Legal Contract for For-Profit Developer Applicant

McCormack Baron Salazar

Att15_Developer_Contract.pdf

LEAD APPLICANT AND CO-APPLICANT LEGAL CONTRACT
FOR THE
EASTERN BAYVIEW/ALICE GRIFFITH COMPREHENSIVE TRANSFORMATION

This Lead Applicant and Co-Applicant Legal Contract (this “**Agreement**”) is entered into as of the 26th day of May, 2011 by and between MCCORMACK BARON SALAZAR, INC. (“**MBS**”), and HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO (“**SFHA**”) in connection with the comprehensive revitalization of the Alice Griffith public housing development and its surrounding community in the Eastern Bayview neighborhood of San Francisco, California (the “**EB/AG Revitalization**”). MBS and SFHA are each sometimes referred to herein, individually as a “**Party**,” and collectively as the “**Parties**”.

RECITALS

A. MBS is an accomplished developer with national experience revitalizing distressed urban communities and developing vibrant new mixed-finance, mixed-income and mixed-use communities that leverage and strengthen community assets.

B. SFHA is a public body corporate and politic under the laws of the State of California and a public housing agency as defined in the Housing Act of 1937, and is the owner of the Alice Griffith public housing development (the “**Existing Development**”).

C. MBS, as Lead-Applicant, and SFHA, as Co-Applicant, have submitted and will make additional submissions with respect to an application (the “**Application**”) to the United States Department of Housing and Urban Development (“**HUD**”) for a Choice Neighborhoods Initiative Implementation Grant (the “**CNI Grant**”) with respect to HUD’s Choice Neighborhoods Initiative (the “**Choice Neighborhoods Initiative Program**”) in accordance with the FY2010 Round One Notice of Funding Availability for HUD’s Choice Neighborhoods Initiative, as revised and updated by the Round 2 Notice of Funding Availability for Implementation CNI Grant Finalists issued on March 21, 2011 (collectively the “**CNI NOFA**”). The Application proposes a comprehensive plan for the EB/AG Revitalization.

D. HUD has approved the request of SFHA to non-competitively procure CP Development Co., LP (“**Master Developer**”) as its development “Partner” as that term is used in 24 CFR part 941, subpart F. With the approval of SFHA and the Redevelopment Agency of the City and County of San Francisco (the “**Agency**”), Master Developer has engaged MBS to assist it in recognition of MBS’ experience with public housing revitalization and mixed-finance development. SFHA has entered into an Exclusive Negotiating Rights Agreement (the “**ENRA**”) with MBS and with the Master Developer.

E. The Parties to this Agreement and other members of the community have undergone a comprehensive local planning process and are now moving forward with a “**Transformation Plan**” to redevelop the neighborhood. The Transformation Plan is further described in the Application and will, if the Application is successful, be implemented in accordance with the requirements of the CNI Grant. The Transformation Plan will include a schedule for implementation (“**Implementation Schedule**”) which the Parties concur is of the utmost importance.

F. The Parties to this Agreement and other “Principal Team Members” have executed a Choice Neighborhoods Implementation Agreement of approximately even date herewith (the “**Implementation Agreement**”) detailing the roles and responsibilities of each team member and specifying how decision-making and issue resolution will occur.

G. On November 26, 2010, the Parties hereto executed a Lead Applicant and Co-Applicant Memorandum of Understanding (the “**MOU**”) generally describing the roles and responsibilities of the Parties should a CNI Grant be awarded. The Parties now wish, in accordance with the CNI NOFA, to replace the MOU with a binding legal contract that affirms the roles and responsibilities identified in the MOU and describes the process for decision-making and settling disputes. Therefore, this Agreement supersedes and replaces the MOU, which shall have no further force or effect.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, the Parties agree as follows:

I. Basic Commitments

A) Commitment to Transformation Plan and Implementation Schedule. The Parties acknowledge that they each:

- i) have participated in the preparation of the Transformation Plan and of the Application; and
- ii) are fully committed to the goals and requirements of the CNI NOFA, the Transformation Plan, the Application, and this Agreement and agree in performing their respective responsibilities to effectuate the requirements of the Transformation Plan in accordance with the Implementation Schedule and HUD requirements.

B) Commitment to Work Collaboratively. The Parties commit to work collaboratively throughout the term of the CNI Grant. Section VIII of the Implementation Agreement provides greater detail on the process for implementation decision-making and settling disputes as required by the CNI NOFA.

C) Core Roles and Responsibilities.

- i) Pursuant to the CNI NOFA and the Application, MBS will serve as Lead Applicant for the CNI Grant and SFHA will serve as the Co-Applicant for the CNI Grant. As Lead Applicant and Co-Applicant, both MBS and SFHA will sign the grant agreement with HUD with respect to the administration and implementation of the CNI Grant (the “**CNI Grant Agreement**”) should a CNI Grant be awarded.
- ii) This Agreement reflects a pioneering collaboration model with leadership by a private developer and a public housing authority. SFHA, as Co-Applicant, agrees that it will be jointly and severally liable with MBS as Lead Applicant for performance of the CNI Grant.
- iii) As described further in this Agreement, MBS and SFHA shall be responsible for implementing the Transformation Plan and ensuring compliance with the CNI Grant Agreement.

D) Incorporation of CNI NOFA and CNI Grant Agreement Requirements. The Parties are entering into this Agreement in furtherance of the Application, and as required by Section III.C.2.a(4) of the Round 2 CNI NOFA. The Parties intend that this Agreement shall conform to and satisfy all requirements of the CNI NOFA. In the event of any inconsistency between any CNI NOFA requirement and the provisions of this Agreement, or in the event of a failure to include a provision necessary to satisfy such CNI NOFA

requirements, then this Agreement shall be construed to incorporate a provision satisfying such CNI NOFA requirements and (while not required) the Parties agree to amend this Agreement as necessary.

E) Subsequent Agreements.

- i) This Agreement is intended to provide an overall framework for a cooperative, public-private, highly coordinated approach to implementation of the Transformation Plan. The Parties acknowledge that the accomplishment of the Transformation Plan will require additional agreements between the Parties and between the Parties to this Agreement and third parties (together with any written commitments and agreements executed subsequently hereto, “**Other Agreements**”). The Parties each pledge to work with each other in good faith to consummate such Other Agreements in accordance with the Transformation Plan and Implementation Schedule.
- ii) The Parties expressly acknowledge that the Other Agreements may include agreements arising from review of the terms of the CNI Grant, agreements contemplated by the ENRA, agreements in furtherance of the Development and Disposition Agreement between the Master Developer and the Agency, as it may be amended and supplemented from time to time (the “**DDA**”) and agreements in furtherance of the Memorandum of Understanding for the Proposed Redevelopment of Alice Griffith Public Housing dated July 8, 2010 (the “**MOU**”) among SFHA, the Agency, the San Francisco Mayor’s Office of Housing and the San Francisco Office of Economic and Workforce Development, all in accordance with and subject to the terms of the ENRA, the DDA and the MOU and agreement of other parties to such agreements
- iii) The Parties further anticipate that with reference to each development included in the EB/AG Revitalization that includes mixed-finance public housing units and/or project-based Housing Choice Vouchers, they (or their successors and assigns) shall execute various Other Agreements which may include, without limitation:
 - (1) Mixed-Finance ACC Amendment
 - (2) Declaration of Restrictive Covenants
 - (3) Regulatory and Operating Agreement
 - (4) Ground Lease
 - (5) Housing Assistance Payments Contract

II. Responsibilities of MBS

A) Lead Applicant. MBS shall be the Lead Applicant for the CNI Grant and will carry out all responsibilities required of the Lead Applicant as described in the CNI NOFA and the CNI Grant Agreement.

B) Lead Coordinator. As provided in Section VIII.C. of the Implementation Agreement, MBS will chair the Implementation Working Team and maintain, with input from and in consultation with the parties to the Implementation Agreement, the Transformation Plan and Implementation Schedule.

C) Housing Implementation Entity. MBS shall be responsible to implement the Housing component of the Transformation Plan, subject to the availability of all necessary funding and approvals, and subject to approval of SHFA in accordance with applicable terms of the CNI Grant and Other Agreements. MBS will be responsible for implementing day-to-day development and asset management activities associated with the Transformation Plan.

D) Program Management and Coordination. MBS, with the active support of and in consultation with SFHA and utilizing the collaborative vehicles set forth in Section VIII of the Implementation Agreement, shall be responsible for coordinating, directing and managing the accomplishment of the Transformation Plan in accordance with this Agreement. MBS will make diligent efforts to ensure that: a) all goals identified in the Transformation Plan are to be accomplished through specific activities and programs; b) all such activities and programs are assigned to specific individuals and/or teams, or through an Other Agreement; c) adequate funding sources are identified and funds are budgeted to accomplish all activities and programs; d) for each such substantial activity or program there are appropriate performance measures and deadlines; and e) all material obligations imposed by HUD over which MBS has control are met. MBS will dedicate adequate staff time to monitoring the progress and performance of all activities and programs included in the Transformation Plan so as to maximize the likelihood of their successful accomplishment.

E) MBS specifically reaffirms its understanding of and commitment to the following Housing-related standards of the Choice Neighborhood Initiative Program:

- i) The Transformation Plan is intended to transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
- ii) Housing transformed by the CNI Grant is expected to be:
 - (1) Energy Efficient, Sustainable, Accessible, and Connected -- with low per unit energy consumption, healthy indoor air quality, built to be resistant to local disaster risk, exceeding the Section 504 and Fair Housing Act accessibility requirements, and with affordable broadband Internet access;
 - (2) Mixed-Income -- with a mix of extremely low-income (e.g. public/assisted/HTF units), low income (e.g. tax credit/HOME units), and, as appropriate, moderate income (e.g. market rate rent/homeownership units);
 - (3) Physically Viable -- constructed with durable and low-maintenance materials, receive high quality maintenance over time, and scheduled upgrades and replacements are performed;
 - (4) Financially Viable -- budgeted appropriately for the rental income that can be generated from the project (including rental subsidy) to meet debt payments and meet or exceed industry standards for quality management and maintenance of the property; and
 - (5) Designed for Sustainability – designed in accordance with the design standards articulated in the CNI NOFA, Federal Emergency Management Agency elevation guidelines, and local codes.

- iii) The Transformation Plan will ensure that current residents of the Existing Development benefit from transformation by preserving affordable housing in the neighborhood or providing residents the choice to move to affordable housing in another neighborhood of opportunity. The Transformation Plan further includes, and MBS will participate in, resident involvement in planning and implementation activities in accordance with the CNI NOFA.
- iv) The Transformation Plan's demolition and redevelopment activities will comply with the "one-for-one" replacement standards of the CNI NOFA, which means that 256 public housing units will be replaced as a result of the implementation of the Transformation Plan.
- v) Housing developed under the Transformation plan will:
 - (1) be subject to HUD requirements to maintain affordability for no fewer than 20 years (and such longer periods as may be established by Other Agreements and/or the requirements of applicable funding programs) pursuant to legally enforceable, recorded documents consistent with the long-term viability of the housing; and
 - (2) be provided in conformity with civil rights laws and their implementing regulations, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and applicable site and neighborhood standards such as 24 CFR 1.4(b)(3) and 24 CFR 941.202 (and all programs and activities related to the CNI Grant including demolition or disposition, relocation, replacement, and re-occupancy of housing units shall be conducted in compliance with federal civil rights laws).

F) MBS will carry out its redevelopment activities in full compliance with applicable local and federal labor standards.

G) Leverage Public Funds. MBS will leverage federal CNI Grant funds with additional public and private funding to support integrated planning for current investment and future redevelopment in the Alice Griffith neighborhood and its immediate surrounds.

H) Coordination With Master Developer; Formation of Ownership Entities. MBS will make diligent efforts to ensure that any Other Agreements between itself and the Master Developer shall be consistent with this Agreement, the Implementation Agreement, and the Transformation Plan, as each may be amended with the consent of SFHA and any requisite HUD approval. MBS will make diligent efforts to cooperate with the Master Developer to effectuate the intent of this Agreement, the Implementation Agreement, and the Transformation Plan, as each may be amended with the consent of SFHA and any requisite HUD approval. Without limiting the foregoing, the Parties agree that the Other Agreements contemplated by the ENRA may supplement and/or, subject to any requisite HUD approval, supersede the terms of this Agreement. MBS, shall form such further entities, including (directly, or through such SFHA-approved [directly or through the Developer Joint Venture], "owner entities", as may be required or useful to effectuate the intent hereof, and shall cause all such entities that it controls directly or indirectly to effectuate the intent of, this Agreement, the Implementation Agreement, and the Transformation Plan, as each may be amended with the consent of SFHA and any requisite HUD approval. Any obligation of MBS stated herein may be performed by the Developer Joint Venture and shall be binding upon the Developer Joint Venture and any other owner entity when it is expressly performing pursuant to this Agreement or the Implementation Agreement.

III. Responsibilities of SFHA

A) Co-Applicant. SFHA shall be the Co-Applicant for the CNI Grant and will carry out all responsibilities required of the Co-Applicant as described in the CNI NOFA and the CNI Grant Agreement.

B) In addition, SFHA will be responsible, subject to the availability of all necessary funding and approvals, for:

- i) the relocation and rehousing of the Alice Griffith public housing residents in accordance with the requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and, if the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974, as applicable;
- ii) relocation of any person who moves permanently or temporarily from real property or moves personal property from real property directly because of acquisition, rehabilitation, or demolition undertaken by SFHA;
- iii) assisting with the involvement of the Alice Griffith residents in the Transformation Plan;
- iv) providing staff support during the entirety of the Transformation Plan;
- v) supporting MBS to achieve one-for-one replacement of the public housing units.

C) Collaborative Model. SFHA agrees that this Agreement is intended to establish an innovative collaborative approach to guide ongoing investment opportunities and planning initiatives to support the redevelopment of the Alice Griffith public housing site. An emerging commitment to public-private integration has the potential to transform this low-income community and connect massive investments in housing, education, community development and infrastructure with future employment opportunities to drive long-term economic development in the heart of the Alice Griffith/Eastern Bayview neighborhood.

D) Leverage Public Funds. SFHA, in partnership with MBS, will leverage federal CNI Grant funds with additional public and private funding to support integrated planning for current investment and future redevelopment in the Alice Griffith neighborhood and its immediate surrounds. The Parties will endeavor to enter into mutually acceptable Other Agreements, subject to requisite HUD approvals, such that the CNI Grant Funds being made available for eligible purposes will not be treated as taxable income to MBS.

E) Public Housing Requirements. SFHA shall be responsible for complying with, for making all necessary submissions under, and for seeking all necessary and applicable approvals under “**Public Housing Requirements**” (defined below). “Public Housing Requirements” shall mean all requirements applicable to public housing, including the U.S. Housing Act of 1937, as amended, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the Annual Contributions Contract (ACC), the CNI Grant Agreement, HUD notices (including any notice of fund availability under which SFHA received an award of HUD Funds for use in connection with the public housing units), the Declaration of Restrictive Covenants, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time.

F) Financial Support. Without limitation of any specific commitments it provides in connection with the Application or may make in any subsequent Other Agreement, but subject to receipt of further funding commitments from third parties in accordance with Other Agreements (including, as applicable, the agreements contemplated by the ENRA, but subject to HUD's review and approval as applicable), SFHA shall provide to MBS and/or its SFHA-approved assigns as "owner entities" of any housing units set aside for affordable occupancy in accordance with the Transformation Plan, such capital and operating subsidies and/or project-based Housing Choice Vouchers as are deemed necessary by SFHA in accordance with Applicable Other Agreements to operate such projects in a sound and feasible long-term manner.

IV. Funding and Feasibility

A) The Parties acknowledge that the primary source of public funds for the Transformation Plan (beyond the CNI Grant) will be the Agency, pursuant to achievement of the goals of the San Francisco HOPE SF Program. It is anticipated that the Agency will provide certain predevelopment, construction and permanent financing for the Transformation Plan. The Parties agree that this Agreement does not cover specific funding commitments made to the Transformation Plan by each party and such funding commitments will be addressed in Other Agreements. The Parties further agree that this Agreement does not require the payment or transfer of money by any Party to any other Party. Other Agreements may involve the payment of money or transfer of funds, but such payments or transfers will be governed by the Other Agreements. Each Party will fund its own participation under this Agreement, except as may be provided in an Other Agreement.

B) In connection with its performance hereunder, MBS (or its SFHA-approved successors and assigns) shall be permitted to receive development fees subject to approval of HUD, as applicable, and subject further to applicable provisions of Other Agreements.

C) The Parties agree that certain matters are conditions precedent to the ability of the Parties to proceed with the Transformation Plan and to fulfill the terms and conditions of this Agreement. The Parties acknowledge that their ability to perform responsibilities hereunder is substantially contingent upon actions by third parties, as well as upon the continuation of economic and regulatory circumstances at least as favorable to housing development and marketing as currently exist ("**Development Contingencies**"). Such Development Contingencies shall include, without limitation, the following:

- i) The award of tax credits or tax-exempt bond financing allocations in the amount projected;
- ii) The investment of equity at projected rates;
- iii) The making of private loans under projected terms and conditions;
- iv) The continuation of federal and local subsidy programs at funding levels sufficient for project feasibility
- v) The successful elimination of Hazardous Materials and completion of infrastructure for each development site in accordance with the DDA; and
- vi) The receipt of all necessary government approvals and permits, including without limitation HUD's approval of this Agreement and any Mixed-Finance Proposal.

D) In the event a Development Contingency does not occur (after all diligent and reasonable efforts by MBS and SFHA to cause it to occur, in accordance with their respective obligations hereunder) in a manner

generally consistent with the Transformation Plan for a Revitalization Site and in a manner that reasonably permits the accomplishment of the Revitalization in accordance with this Agreement, the Parties will attempt to revise the Transformation Plan in a mutually acceptable fashion by extending deadlines, revising budgets or goals, or otherwise. If the Parties cannot agree to amend the Transformation Plan or cannot thereafter secure HUD approval of any amendment so agreed to, it shall be deemed an ***“Event of Infeasibility”*** and any Party may terminate its involvement in this Agreement by written notice to the others. No Party shall be liable to any other Party hereunder for failure to perform following an Event of Infeasibility.

V. Miscellaneous Provisions.

A) Term of Agreement. This Agreement shall have a term of the shorter of ten years or until closeout of the CNI Grant; provided, however, that in the event MBS and SFHA are not selected for a CNI Grant for funding year 2010 or 2011, then any Party may terminate its involvement in this Agreement by written notice and the entire Agreement shall thereafter terminate.

B) Assignment. No Party to this Agreement may assign its rights or delegate its responsibilities under this Agreement without the prior written consent of the other Party.

C) Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

D) Capitalization and Recitals. Capitalized terms not defined of the Implementation Agreement shall have the meaning provided in the CNI NOFA. The recitals are incorporated as if fully set forth in this Agreement.

E) Modification. Oral changes of this Agreement will have no effect. Any prior information, discussions or agreements are merged and barred hereby. Modification or amendment of this Agreement may be accomplished only in a writing signed by each Party, and is further subject to terms and limitations of the ENRA relating to amendment. Notwithstanding the foregoing, any other written agreement between or among the Parties other than the MOU remains in full force and effect.

F) Notice. Formal notices, demands and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time.

Authority: San Francisco Housing Authority
1815 Egbert Avenue
San Francisco, California 94124
Attn: Henry A. Alvarez III, Executive Director

With a copy to: San Francisco Housing Authority
1815 Egbert Avenue
San Francisco, California 94124
Attn: General Counsel

MBS: McCormack Baron Salazar, Inc.
 720 Olive Street, Suite 2500
 St. Louis, Missouri 63101
 Attn: Kevin McCormack, President

With a copy to: CP Development Co., LP
 One California St., 27th Floor
 San Francisco, California 94111
 Attn: Kofi Bonner

G) No Delegation. Nothing in this Agreement shall be read to or otherwise interpreted to delegate the governmental authority of SFHA.

H) Rules of Construction. The headings and captions of this Agreement are provided for convenience only and are not intended to have effect in the construction of this Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved in favor of or against any Party on the basis of which Party drafted the uncertain or ambiguous language. This Agreement has been reviewed by all Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties to this Agreement.

I) Governing Law. This Agreement shall be construed, interpreted, and governed by the laws of the State of California.

J) No Third Party Beneficiaries. This Agreement is entered into for the exclusive benefit of the Parties and the Parties expressly disclaim any intent to benefit anyone not a party to this Agreement.

K) Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

L) Liability and Indemnification.

- i) Each Party agrees to assume liability for its own risks associated with activities pursuant to this Agreement. Nothing contained in this Agreement is intended to, or shall be constructed in any manner, as creating a legal partnership between any Parties to this Agreement or creating any right on any party to claim indemnification from the other party pursuant to this Agreement except as explicitly stated herein. Other Agreements will include indemnification provisions as appropriate. Nothing herein shall be construed to provide for rights to recovery of any damages, including but not limited to all general, special, pecuniary, consequential or punitive damages as a result of this Agreement. Other Agreements may include such rights, as the parties to such Other Agreements determine appropriate.
- ii) Each of MBS, as Lead Applicant, and SFHA, as Co-Applicant, intend to establish mutually acceptable terms by which each party is responsible to the other for any liability incurred to HUD arising out of a default under the CNI Grant Agreement, where the default is caused by the other party's failure to substantially perform any obligation primarily assigned to it hereunder, reserved to it by Public Housing Requirements, or otherwise within its primary

control. MBS acknowledges that SFHA's indemnification authority is limited due to certain restrictions, including applicable Public Housing Requirements. The Parties agree to establish their respective responsibilities as anticipated by this Section 5(L)(ii), along with associated obligations and adequacy of resources to meet such responsibilities (and, if applicable, the consequences of any taxable income arising from receipt of the CNI Grant) in Other Agreements in form and substance mutually satisfactory to each Party which shall (if requested by either Party) be executed prior to execution of the CNI Grant Agreement.

M) Examination and Retention of Records. The Parties acknowledge and agree that HUD, or the Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after close-out of the CNI Grant, have access to and the right to examine any of any Party's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions. The periods of access and examination for records relating to disputes or litigation to which HUD, or the Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such disputes or litigation.

N) Opportunities for Low Income and Very Low Income People. The Parties are each committed to fully implementing the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) and to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

O) Opportunities for Minority Firms, Women's Business Enterprises, and Labor Surplus Area Firms. The Parties are each committed to take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are involved in the Transformation Plan. Affirmative steps shall include, without limiting such other commitments as may be reflected in Other Agreements:

- i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists for work required by the Transformation Plan;
- ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources to perform services or provide supplies related to the Transformation Plan;
- iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
- v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce to promote the involvement of minority firms, women's business enterprises, and labor surplus area firms.

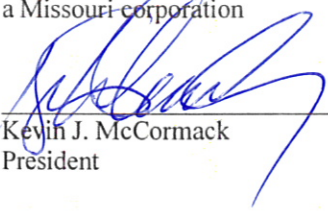
P) Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original, and all of which shall constitute one and the same instrument. Delivery of this Agreement may be

effectuated by hand delivery, mail, overnight courier or electronic communication (including by PDF sent by electronic mail, facsimile or similar means of electronic communication). Any electronic signatures shall have the same legal effect as manual signatures.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have duly executed this Choice Neighborhoods Implementation Agreement, on or as of the date first written above.

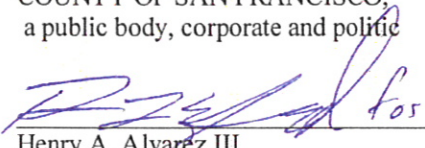
MCCORMACK BARON SALAZAR, INC.
a Missouri corporation



Kevin J. McCormack
President

5/27/11
Date

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



Henry A. Alvarez III
Executive Director

5/26/2011
Date

Attachment 16: Partnership Legal Contract

McCormack Baron Salazar

Att16_Partnership_Contract.pdf

CHOICE NEIGHBORHOODS IMPLEMENTATION AGREEMENT
FOR THE
EASTERN BAYVIEW/ALICE GRIFFITH COMPREHENSIVE TRANSFORMATION

This Choice Neighborhood Implementation Agreement (this “**Agreement**”) is entered into as of the 26th day of May, 2011 by and among MCCORMACK BARON SALAZAR, INC. (“**MBS**”), HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO (“**SFHA**”), CP DEVELOPMENT CO., LP (“**Master Developer**”), REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO (“**Redevelopment Agency**”), URBAN STRATEGIES, INC. (“**Urban Strategies**”), the SAN FRANCISCO MAYOR’S INTERAGENCY COUNCIL¹ (“**Interagency Council**”), and SAN FRANCISCO UNIFIED SCHOOL DISTRICT (“**School District**”) in connection with the comprehensive revitalization of the Alice Griffith public housing development and its surrounding community in the Eastern Bayview neighborhood of San Francisco, California (the “**EB/AG Revitalization**”). MBS, SFHA, Master Developer, Redevelopment Agency, Urban Strategies, Interagency Council, and School District are each sometimes referred to herein, individually as a “**Party**”, and collectively as the “**Parties**”.

RECITALS

A. MBS is an accomplished developer with national experience revitalizing distressed urban communities and developing vibrant new mixed-finance, mixed-income and mixed-use communities that leverage and strengthen community assets.

B. SFHA is a public body corporate and politic under the laws of the State of California and a public housing agency as defined in the Housing Act of 1937, and is the owner of the existing Alice Griffith public housing development (the “**Existing Development**”).

C. MBS, as Lead Applicant, and SFHA, as Co-Applicant, have submitted and will make additional submissions with respect to an application (the “**Application**”) to the United States Department of Housing and Urban Development (“**HUD**”) for a Choice Neighborhoods Initiative Implementation Grant (the “**CNI Grant**”) with respect to HUD’s Choice Neighborhoods Initiative (the “**Choice Neighborhoods Initiative Program**”) in accordance with the FY2010 Round One Notice of Funding Availability for HUD’s Choice Neighborhoods Initiative, as revised and updated by the Round 2 Notice of Funding Availability for Implementation CNI Grant Finalists issued on March 21, 2011 (collectively the “**CNI NOFA**”). The Application proposes a comprehensive plan for the EB/AG Revitalization.

D. Master Developer is an experienced urban redeveloper whose beneficial owners possess, among other things, extensive experience developing successful market-rate communities in the San Francisco metropolitan area.

E. Master Developer and Redevelopment Agency have entered into a Disposition and Development Agreement (as amended and supplemented from time to time, the “**DDA**”) for the development of Candlestick Point and Phase 2 of the Hunters Point Shipyard (“**CP-HPS2**”). The Existing Development lies within the Candlestick Point planning area (also known as Eastern Bayview) and is an integral part of the mixed-use development program defined in the CP-HPS2 DDA.

F. HUD has approved the request of SFHA to non-competitively procure Master Developer as its development “Partner” as that term is used in 24 CFR part 941, subpart F. With the approval of

¹ Signed MOU as “San Francisco Mayor’s Office Interagency Planning”

Redevelopment Agency and SFHA, Master Developer has engaged MBS to assist it in recognition of MBS' experience with public housing revitalization and mixed-finance development.

G. Urban Strategies is a non-profit corporation specializing in citizen-directed planning, community-based economic vitality, and HOPE VI community and supportive services and has partnered with MBS and public housing authorities nationwide to guide the human aspects of transformative neighborhood revitalization programs.

H. Interagency Council is a public agency dedicated to coordinating social services delivery in San Francisco's low-income and at-risk communities, including programs specifically designed to enhance human services for families and educational opportunities for SFHA's youth.

I. The School District has committed in its "Walking the Talk Progress Report 2010" to implementing a rigorous core curriculum in all schools and grades for all students, and to providing learning content that not only meets California standards, but national and international standards as well.

J. Pursuant to the CNI NOFA and the Application, MBS will serve as Lead Applicant for the CNI Grant and SFHA will serve as the Co-Applicant for the CNI Grant. Subject to Section I.D below, as Lead Applicant and Co-Applicant, both MBS and SFHA will sign the CNI Grant Agreement (as defined below) with HUD under the Choice Neighborhoods Program should a CNI Grant be awarded. Master Developer, Redevelopment Agency, Urban Strategies, Interagency Council, and School District will each serve as a Principal Team Member.

K. The Parties to this Agreement and other members of the community have undergone a comprehensive local planning process and are now moving forward with a "**Transformation Plan**" to redevelop the neighborhood. The Transformation Plan is further described below, and in the Application and will, if the Application is successful, be implemented in accordance with the requirements of the CNI Grant. The Transformation Plan will include a schedule for implementation ("**Implementation Schedule**") which the Parties concur is of the utmost importance.

L. On November 26, 2010, the Parties hereto executed a Partnership Memorandum of Understanding (the "**MOU**") generally describing the roles and responsibilities of the Parties should a CNI Grant be awarded. The Parties now wish, in accordance with the CNI NOFA to replace the MOU with a binding legal contract that affirms the roles and responsibilities identified in the MOU and describes the process for decision-making and settling disputes. Therefore, this Agreement supersedes and replaces the MOU, which shall have no further force or effect.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, the Parties agree as follows:

I. Basic Commitments

A) Commitment to Transformation Plan and Implementation Schedule. The Parties acknowledge that they each:

- i) have participated in the preparation of the Transformation Plan and of the Application; and

- ii) are fully committed to the goals and requirements of the CNI NOFA, the Transformation Plan, the Application, and this Agreement and agree in performing their respective responsibilities to effectuate the requirements of the Transformation Plan in accordance with the Implementation Schedule and HUD requirements.

B) Commitment to Work Collaboratively. The Parties commit to work collaboratively throughout the term of the CNI Grant. Section VIII herein provides greater detail on the process for implementation decision-making and settling disputes as required by the CNI NOFA.

C) Governance and Co-Applicant Liability. This Agreement reflects a pioneering collaboration model with leadership by a private developer and a public housing authority. SFHA, as Co-Applicant, agrees that it will be jointly and severally liable with MBS as Lead Applicant for performance of the CNI Grant. As described further in the following sections, MBS and SFHA shall be responsible for implementing the Transformation Plan and ensuring compliance with the grant agreement entered into with HUD with respect to the administration and implementation of the CNI Grant (the “**CNI Grant Agreement**”).

D) Incorporation of CNI NOFA and CNI Grant Agreement Requirements; Approval Rights. The Parties are entering into this Agreement in furtherance of the Application, and as required by Section III.C.2.a(1) of the Round 2 CNI NOFA. The Parties intend that this Agreement shall conform to and satisfy all requirements of the CNI NOFA. In the event of any inconsistency between any CNI NOFA requirement and the provisions of this Agreement, or in the event of a failure to include a provision necessary to satisfy such CNI NOFA requirements, then this Agreement shall be construed to incorporate a provision satisfying such CNI NOFA requirements and (while not required) the Parties agree to amend this Agreement as necessary. MBS agrees to secure the prior written approval of the Master Developer prior to executing the CNI Grant Agreement unless such approval is expressly provided or waived by Master Developer pursuant to Other Agreements (as defined below).

E) Subsequent Implementation Agreements. This Agreement is intended to provide an overall framework for a cooperative, public-private, highly coordinated approach to implementation of the Transformation Plan. The Parties acknowledge that the accomplishment of the Transformation Plan will require additional agreements between the Parties, between several of the Parties to this Agreement, and between separate Parties to this Agreement and third parties (inclusive of any written commitments and agreements executed previously or subsequently hereto, which may be submitted as part of the Application, “**Other Agreements**”). The Parties each pledge to work with each other in good faith to consummate such Other Agreements in accordance with the Transformation Plan and Implementation Schedule. The Parties expressly acknowledge that the Other Agreements may include agreements arising from review of the terms of the CNI Grant, agreements contemplated by the Exclusive Negotiating Rights Agreement (the “**ENRA**”) among MBS, SFHA and the Master Developer, agreements in furtherance of the DDA, and agreements in furtherance of the Memorandum of Understanding for the Proposed Redevelopment of Alice Griffith Public Housing dated July 8, 2010 (the “**Agency MOU**”) among SFHA, the Agency, the San Francisco Mayor’s Office of Housing and the San Francisco Office of Economic and Workforce Development, all in accordance with and subject to the terms of the ENRA, the DDA and the Agency MOU.

II. Responsibilities of MBS

A) Lead Applicant. MBS shall be the Lead Applicant for the CNI Grant and will carry out all responsibilities required of the Lead Applicant as described in the CNI NOFA and the CNI Grant Agreement.

B) Lead Coordinator. As provided in Section VIII.C. herein, MBS will chair the Implementation Working Team and maintain, with input from and in consultation with the Parties, the Transformation Plan and Implementation Schedule.

C) Housing Implementation Entity. MBS shall be responsible for implementing the Housing component of the Transformation Plan, subject to the availability of all necessary funding and approvals and subject to approval of SHFA and other Parties in accordance with applicable terms of the CNI Grant and Other Agreements. MBS will be responsible for implementing day-to-day development and asset management activities associated with the Transformation Plan.

D) Program Management and Coordination. MBS, with the active support of and in consultation with SFHA and utilizing the collaborative vehicles set forth in Section VIII below, shall be responsible for coordinating, directing and managing the accomplishment of the Transformation Plan in accordance with this Agreement. MBS will make diligent efforts to ensure that: a) all goals identified in the Transformation Plan are to be accomplished through specific activities and programs; b) all such activities and programs are assigned to specific individuals and/or teams, or through an Other Agreement; c) adequate funding sources are identified and funds are budgeted to accomplish all activities and programs; d) for each such substantial activity or program there are appropriate performance measures and deadlines; and e) all material obligations imposed by HUD over which MBS has control are met. MBS will dedicate adequate staff time to monitoring the progress and performance of all activities and programs included in the Transformation Plan so as to maximize the likelihood of their successful accomplishment.

E) MBS specifically reaffirms its understanding of and commitment to the following Housing-related goals of the Choice Neighborhood Initiative Program:

- i) The Transformation Plan is intended to transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
- ii) Housing transformed by the CNI Grant is expected to be:
 - (1) Energy Efficient, Sustainable, Accessible, and Connected -- with low per unit energy consumption, healthy indoor air quality, built to be resistant to local disaster risk, exceeding the Section 504 and Fair Housing Act accessibility requirements, and with affordable broadband Internet access;
 - (2) Mixed-Income -- with a mix of extremely low-income (e.g. public/assisted/HTF units), low income (e.g. tax credit/HOME units), and, as appropriate, moderate income (e.g. market rate rent/homeownership units);
 - (3) Physically Viable -- constructed with durable and low-maintenance materials, receive high quality maintenance over time, and scheduled upgrades and replacements are performed;
 - (4) Financially Viable -- budgeted appropriately for the rental income that can be generated from the project (including rental subsidy) to meet debt payments and meet or exceed industry standards for quality management and maintenance of the property; and

- (5) Designed for Sustainability -- designed in accordance with the design standards articulated in the CNI NOFA, Federal Emergency Management Agency elevation guidelines, and local codes.
- iii) The Transformation Plan will ensure that current residents of the Existing Development benefit from transformation by preserving affordable housing in the neighborhood or providing residents the choice to move to affordable housing in another neighborhood of opportunity. The Transformation Plan further includes, and MBS will participate in, resident involvement in planning and implementation activities in accordance with the CNI NOFA.
- iv) The Transformation Plan's demolition and redevelopment activities will comply with the "one-for-one" replacement standards of the CNI NOFA, which means that 256 public housing units will be replaced as a result of the implementation of the Transformation Plan.
- v) Housing developed under the Transformation plan will:
 - (1) be subject to HUD requirements to maintain affordability for no fewer than 20 years (or such longer periods as may be established by Other Agreements and/or the requirements of applicable funding programs) pursuant to legally enforceable, recorded documents consistent with the long-term viability of the housing; and
 - (2) be provided in conformity with civil rights laws and their implementing regulations, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and applicable site and neighborhood standards such as 24 CFR 1.4(b)(3) and 24 CFR 941.202 (and all programs and activities related to the CNI Grant including demolition or disposition, relocation, replacement, and re-occupancy of housing units shall be conducted in compliance with federal civil rights laws).

F) MBS will carry out its redevelopment activities in full compliance with applicable local and federal labor standards.

G) Leverage Public Funds. MBS, in partnership with SFHA, will leverage federal CNI Grant funds with additional public and private funding to support integrated planning for current investment and future redevelopment in the Alice Griffith neighborhood and its immediate surrounds.

III. Responsibilities of SFHA

A) Co-Applicant. SFHA shall be the Co-Applicant for the CNI Grant and will carry out all responsibilities required of the Co-Applicant as described in the CNI NOFA and the CNI Grant Agreement.

B) In addition, SFHA will be responsible, subject to the availability of all necessary funding and approvals, for:

- i) the relocation and rehousing of the Alice Griffith public housing residents in accordance with the requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and, if the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974, as applicable;

- ii) relocation of any person who moves permanently or temporarily from real property or moves personal property from real property directly because of acquisition, rehabilitation, or demolition undertaken by SFHA;
- iii) assisting with the involvement of the Alice Griffith residents in the Transformation Plan;
- iv) providing staff support during the entirety of the Transformation Plan;
- v) supporting MBS to achieve one-for-one replacement of the public housing units.

C) Collaborative Model. SFHA agrees that this Agreement is intended to establish an innovative collaborative approach to guide ongoing investment opportunities and planning initiatives to support the redevelopment of the Alice Griffith public housing site. An emerging commitment to public-private integration has the potential to transform this low-income community and connect massive investments in housing, education, community development and infrastructure with future employment opportunities to drive long-term economic development in the heart of the Alice Griffith/Eastern Bayview neighborhood.

D) Leverage Public Funds. SFHA, in partnership with MBS, will leverage federal CNI Grant funds with additional public and private funding to support integrated planning for current investment and future redevelopment in the Alice Griffith neighborhood and its immediate surrounds.

E) Public Housing Requirements. SFHA shall be responsible for complying with, for making all necessary submissions under, and for seeking all necessary and applicable approvals under Public Housing Requirements (defined below). “**Public Housing Requirements**” shall mean all requirements applicable to public housing, including the U.S. Housing Act of 1937, as amended, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the Annual Contributions Contract (ACC), the CNI Grant Agreement, HUD notices (including any notice of fund availability under which SFHA received an award of HUD Funds for use in connection with the public housing units), the Declaration of Restrictive Covenants, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time.

F) Financial Support. Without limitation of any specific commitments it provides in connection with the Application or may make in any subsequent Other Agreement (but subject to HUD’s review and approval as applicable, and further subject to receipt of further funding commitments from third parties in accordance with Other Agreements (including, as applicable, the agreements contemplated by the ENRA)), SFHA shall endeavor to provide to MBS, Master Developer and/or their SFHA-approved assigns as “owner entities” of any housing units set aside for affordable occupancy in accordance with the Transformation Plan, such capital and operating subsidies and/or project-based Housing Choice Vouchers as are deemed necessary by SFHA in accordance with applicable Other Agreement to operate such projects in a sound and feasible long-term manner.

IV. Responsibilities of Redevelopment Agency - Neighborhood Implementation Entity

A) Implementation of Transformation Plan. Redevelopment Agency agrees to be responsible for the implementation of the Neighborhood Component of the Transformation Plan in order to improve the Alice Griffith/ East Bayview neighborhood over the long term. In performing the obligations of this Article IV, which obligations are specifically set forth in Section IV.B, herein, Redevelopment Agency reaffirms its understanding that the Transformation Plan is designed to achieve the following Neighborhood-related goals of the Choice Neighborhood Initiative Program:

- (1) Housing should have a very low vacancy/abandonment rate; housing inventory should be of high quality; and, the neighborhood should be mixed-income and maintain a mixture of incomes over time;
- (2) The need for Alice Griffith/ East Bayview residents to travel for basic services should be equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services;
- (3) The need for Alice Griffith/ East Bayview neighborhood residents travel to high quality park and recreational facilities in the neighborhood should be equal to or less than for other neighborhoods in the jurisdiction and the region;
- (4) Neighborhood residents should have quality public transit, walking and/or biking options to connect them easily to places of work and local services; and,
- (5) Neighborhood residents should have rates of employment among working age non-disabled adults similar or better to the employment rate in other neighborhoods in the jurisdiction and region.

B) Building Equitable Policies. Redevelopment Agency will engage other public partners to transform planning processes to garner support for equitable development and to shape and enforce good policy around these development opportunities. Redevelopment Agency will work with the Lead Applicant and Principal Team Members to seek development projects and social services that meet the needs of Alice Griffith/East Bayview. Specifically, Redevelopment Agency will:

- i) Coordinate planning efforts and resources to plan for strategic redevelopment along important transects within and surrounding the target neighborhood;
- ii) Encourage additional development of viable projects within the Alice Griffith/ East Bayview neighborhood;
- iii) Coordinate efforts to, leverage planning efforts with additional public and private funding;
- iv) Cooperate, collaborate, and share information related to Redevelopment Agency planning processes and priorities;
- v) Appoint staff with content expertise to monitor implementation of the areas of agreement, and to make recommendations to the Lead Applicant and Principal Team Members;
- vi) Work with other Principal Team Members to increase the involvement of the surrounding neighborhood in the Transformation Plan;
- vii) Coordinate timelines and the goals outlined in the application including review of objectives and current progress to support this Agreement;
- viii) Implement projects that will be leveraged by the redevelopment of the target neighborhood, including:

- (1) College Track Afterschool Facility;
- (2) Additional Affordable Housing; and
- (3) Small Business Tenant Improvements.

V. Responsibilities of Urban Strategies - People Implementation Entity

A) Subject to the availability of all necessary funding and approvals, Urban Strategies agrees to implement the People component of the Transformation Plan.

B) Urban Strategies specifically reaffirms its understanding of and commitment to the following People-related goals of the Choice Neighborhood Initiative Program:

- i) The Transformation Plan is intended to improve the quality of lives for baseline residents and revitalized development residents over the long-term.
- ii) Outcomes for both the baseline residents and the residents of the revitalized developments will be measured along the following dimensions:
 - (1) Once the redevelopment is complete, baseline residents who, by their own choice, do not return to the development have as good or better housing and neighborhood opportunities as those who occupy the redeveloped site. An objective under HUD's strategic plan is to increase the proportion of HUD-assisted families in low-poverty and racially diverse communities;
 - (2) Once the redevelopment is complete, health for residents of Alice Griffith over time is as good as or better than other households with similar economic and demographic conditions at baseline;
 - (3) Once the redevelopment is complete, residents of Alice Griffith are living in a safer environment as evidenced by the revitalized neighborhood having dramatically lower crime rates than the neighborhood had prior to redevelopment and maintain a lower crime rate over time;
 - (4) Once the redevelopment is complete, the income of baseline residents and residents of the revitalized development, particularly wage income for non-elderly/non-disabled adult residents, increases over time; and
 - (5) Once the redevelopment is complete, there is a high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn, significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready, and significant growth in existing individual resident educational outcomes over time relative to the state average.
- iii) The Transformation Plan is designed to ensure that current residents of the Existing Development benefit from transformation by providing each household with comprehensive case management services.

C) Urban Strategies will expand and/or develop partnerships with the following organizations around employment:

- i) Office of Economic and Workforce Development
- ii) Job Readiness Initiative of San Francisco Redevelopment Agency
- iii) Agency approved organizations for participating in Job Readiness Initiative including but not limited to Goodwill of San Francisco, Young Community Developers, Hunters Point Family, and San Francisco Conservation Corps
- iv) Green Streets

D) Urban Strategies will expand and/or develop partnerships with the following organizations around education:

- i) San Francisco Unified School District
- ii) 100% College Prep Institute
- iii) Boys and Girls Club of San Francisco
- iv) Parent University
- v) Bayview YMCA

E) Urban Strategies will expand and/or develop partnerships with the following organizations around early childhood education:

- i) San Francisco Unified School District
- ii) San Francisco State University Head Start
- iii) Parent University
- iv) FranDelJa Child Enrichment Center
- v) Preschool for All

F) Urban Strategies will expand and/or develop partnerships with the following organizations around health:

- i) Walden House
- ii) Bayview Hunters Point Multipurpose Senior Services, Inc.
- iii) Bayview Child Health Center
- iv) 3rd Street Youth Center and Clinic

v) Southeast Health Center

vi) Center for Youth Wellness

G) Urban Strategies will expand and/or develop partnerships with the following organizations around mobility services:

i) Bay Area Legal Aid

ii) EARN (including Bank of San Francisco)

iii) Homeownership SF

H) Urban Strategies will expand and/or develop partnership with the following organizations around community safety:

i) San Francisco SAFE

ii) SF Police Department

I) Urban Strategies will identify new partners to fill any gaps in services.

J) Urban Strategies will continue to engage residents and community in the development of the People component of the Transformation Plan.

K) Urban Strategies will coordinate with the Community and Supportive Services Plan for the Alice Griffith development if the CNI Grant is awarded to revitalize the community.

L) Urban Strategies will carry out its activities in full compliance with applicable local and federal labor standards.

VI. Responsibilities of School District

A) The School District agrees to implement the Education component of the Transformation Plan to help transform the neighborhood with a focus on developing high quality public schools, education programs, and high quality early learning programs.

B) The School District agrees to focus on achieving a high level of resident access to quality early learning programs, significant improvements in the quality of schools nearest to the target neighborhood that prepare students to graduate from high school, college and career ready, and to have a significant growth in existing individual resident educational outcomes over time relative to the state average.

C) The School District will develop and offer high quality early learning programs and services so that children entering kindergarten will be ready to learn resulting in significantly improved outcomes in physical well being motor development, social-emotional development, language and literacy development, cognition and general knowledge improvement including numeracy for children, and engaging families in meaningful ways.

D) The School District is focused on providing the supports and interventions necessary to put academically struggling schools on a path toward success. The School District supports the creation of quality, high-performing schools that are supported by data-driven, research-based academic, school climate and management models, including superior programs which address individual academic, behavioral or social needs. The School District has developed and implemented comprehensive accountability systems that ensure all schools are held to the same high standards. It is also critical to the School District to create and maintain safe, clean schools in which every child can be educated in a classroom that is modern and well equipped for 21st Century learning.

E) School District is committed to promoting optimal outcomes for the children of Alice Griffith and the surrounding community, including their academic achievement, physical and mental health, and social and emotional development — with a special focus on building children's emotional resiliency.

F) School District is committed to building strong relationships among partnering school staff and community members, collaborators, children, and families.

G) School District is committed to enhancing the capacity of families to support the growth and development of family members.

H) School District is committed to serving Alice Griffith and the surrounding community and contributing to the community-building process.

I) School District is committed to developing a supportive network of caring adults who will support the growth and development of neighborhood children.

J) School District is committed to responding to emerging family and community needs based on input from Alice Griffith and the surrounding community using engagement methods such as community meetings, working sessions and an advisory council.

VII. Responsibilities of Master Developer

A) Master Developer agrees to support and contribute to the physical revitalization and community benefits of the Transformation Plan.

B) Master Developer's contribution is anticipated to include (as further detailed in, and in all events subject to the terms of, the DDA):

- i) installation of infrastructure;
- ii) contributing subsidy in the amount of \$90,000 per Alice Griffith Replacement Unit for predevelopment and/or development expenses;
- iii) contributing subsidy in the amount of \$70,000 per Alice Griffith Low Income Housing Tax Credit Unit for predevelopment and/or development expenses;
- iv) participating with MBS in a joint venture development entity;

- v) carrying out, or creating conditions that allow for, redevelopment of adjacent parcels including replacement housing for Alice Griffith, market-rate and below market-rate housing, park improvements and other public benefits; and
- vi) supporting the Transformation Plan in furtherance of the wider objectives and obligations established in the DDA (provided that nothing in this Agreement shall be construed as a commitment by Master Developer to undertake any obligations greater than those that are set forth in the DDA or in conflict with its rights or obligations under the DDA).

VIII. Collaborative Implementation

A) Formation of Implementation Working Team to Implement Vision for Alice Griffith Transformation Plan. The Parties agree to formalize the creation of an implementation working team (“**Implementation Working Team**”) to provide a collaborative forum for implementing the Transformation Plan. The Implementation Working Team will be responsible for day-to-day implementation of the Transformation and will be accountable to the Leadership Team as further described at Section VIII.C herein for adherence to the Transformation Plan, as well as the schedule articulated therein. The Parties are committed to implementing the Transformation Plan in a collaborative, consensus-oriented manner.

B) Composition of Implementation Working Team.

- i) *The Implementation Working Team.* The “**Implementation Working Team**” shall be comprised of designated representatives of the Lead Applicant and Co-Applicant and all Principal Team Members, but may be expanded by consent of the Parties to foster a collaborative implementation process.
- ii) *Regular Meetings of Implementation Working Team.* The Implementation Working Team shall meet on a regular basis, at least every two weeks for the first eighteen months of implementation, as appropriate. Committees of the Implementation Working Team shall be created to focus on specific tasks as appropriate and shall determine meeting frequency and times suitable to the assigned task. Meetings may be attended by telephone as determined appropriate by the chair.
- iii) *Conduct of Meetings.* A designee of MBS shall serve as the chair of a meeting of the Implementation Working Team.
- iv) *Review of Progress on Implementation Schedule and Address any Identified Delays or Possible Obstacles to Progress.* Each meeting of the Implementation Working Team shall include a review of the progress on the Transformation Plan Schedule and identify solutions to any delays or obstacles to progress that arise in the course of implementation.

C) Leadership Team, Decision-Making Process and Settlement of Disputes Regarding Course of Action. The “**Leadership Team**” shall consist of one (1) “**Representative**” from each of MBS, SFHA, and the Redevelopment Agency. The MBS Representative shall serve as chairperson. The Leadership Team shall meet once a month to review the progress of implementation (and more frequently should the Leadership Team determine appropriate), address any obstacles to timely implementation of the activities required under the CNI Grant Agreement, and settle any disputes among the Implementation Working Team to keep the Transformation Plan on schedule. In recognition of MBS’ and SFHA’s joint liability to HUD for compliance with the CNI Grant Agreement requirements, the Leadership Team will make the final determination on any

difference of opinions among the Implementation Working Team members and among any Parties to this Agreement; *provided, however* such Leadership Team determinations shall be consistent with the Transformation Plan, CNI Grant Agreement, the Other Agreements and other applicable agreements. Moreover, the Leadership Team shall have no authority to direct MBS, Master Developer or their respective affiliates or subsidiaries to take any action that MBS or Master Developer determines in its reasonable discretion is illegal, economically infeasible or subjects MBS or Master Developer to an imprudent degree of risk.

IX. Funding and Feasibility

A) The Parties agree that this Agreement does not cover specific funding commitments made to the Transformation Plan by each party and such funding commitments will be addressed in Other Agreements. The Parties further agree that this Agreement does not require the payment or transfer of money by any Party to any other Party. Other Agreements may involve the payment of money or transfer of funds, but such payments or transfers will be governed by the Other Agreements. Each Party will fund its own participation under this Agreement, except as may be provided in an Other Agreement.

B) In connection with their performance hereunder, MBS, Master Developer and/or their approved assignees shall be permitted to realize development fees subject to approval of HUD, as applicable.

C) The Parties agree that certain matters are conditions precedent to the ability of the Parties to proceed with the Transformation Plan and to fulfill the terms and conditions of this Agreement. The Parties' ability to perform responsibilities hereunder is substantially contingent upon actions by third parties, as well as upon the continuation of economic and regulatory circumstances at least as favorable to housing development and marketing as currently exist ("**Development Contingencies**"). Such Development Contingencies shall include, without limitation, the following:

- i) The award of tax credits or tax-exempt bond financing allocations in the amount projected;
- ii) The investment of equity at projected rates;
- iii) The making of private loans under projected terms and conditions;
- iv) The continuation of federal and local subsidy programs at funding levels sufficient for project feasibility;
- v) The successful elimination of Hazardous Materials and completion of infrastructure for each development site in accordance with the DDA; and
- vi) The receipt of all necessary government approvals and permits, including without limitation HUD's approval of this Agreement and any Mixed-Finance Proposal.

D) In the event a Development Contingency does not occur (after all diligent and reasonable efforts by MBS and SFHA to cause it to occur, in accordance with their respective obligations hereunder) in a manner generally consistent with the Transformation Plan for a Revitalization Site and in a manner that reasonably permits the accomplishment of the Revitalization in accordance with this Agreement, the Parties will attempt to revise the Transformation Plan in a mutually acceptable fashion by extending deadlines, revising budgets or goals, or otherwise. If the Parties cannot agree to amend the Transformation Plan or cannot thereafter secure HUD approval of any amendment so agreed to, it shall be deemed an "**Event of Infeasibility**" and any

Party may terminate its involvement in this Agreement by written notice to the others. No Party shall be liable to any other Party hereunder for failure to perform following an Event of Infeasibility.

X. Miscellaneous Provisions.

A) Term of Agreement. This Agreement shall have a term of the shorter of ten years or until closeout of the CNI Grant; provided, however, that in the event MBS and SFHA are not selected for a CNI Grant for funding year 2010 or 2011, then any Party may terminate its involvement in this Agreement by written notice and the entire Agreement shall thereafter terminate unless within sixty (60) days, with Master Developer's written consent, MBS and SFHA have identified one or more entities to replace the withdrawing Party.

B) Assignment. The Parties may not assign their rights, duties or obligations under this Agreement to any other person or entity without the prior written consent of all Parties to this Agreement; provided, however that (i) Master Developer shall be permitted to assign its interests in this Agreement to the extent that such assignment is not precluded by the terms of the DDA and upon any such assignment the assigning Party shall be relieved of any obligations hereunder; (ii) Agency's rights, duties and obligations shall be assigned to and assumed by any successor to the Agency established by law.

C) Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

D) Capitalization and Recitals. Capitalized terms not defined herein shall have the meaning provided in the CNI NOFA. The recitals are incorporated as if fully set forth in this Agreement.

E) Modification. Oral changes of this Agreement will have no effect. Any prior information, discussions or agreements are merged herein and barred hereby. This Agreement may be modified or amended only in a writing signed by all Parties. Notwithstanding the foregoing, any other written agreement between or among the Parties other than the MOU remains in full force and effect.

F) No Delegation. Nothing in this Agreement shall be read, or otherwise interpreted, to delegate the governmental authority of SFHA, Redevelopment Agency, Interagency Council or School District to any other Party to this Agreement.

G) Rules of Construction. The headings and captions of this Agreement are provided for convenience only and are not intended to have effect in the construction of this Agreement. This Agreement has been reviewed by all Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties to this Agreement. Uncertainties or ambiguities in this Agreement shall not be resolved in favor of or against any Party on the basis of which Party drafted the uncertain or ambiguous language.

H) Governing Law. This Agreement shall be construed, interpreted, and governed by the laws of the State of California.

I) No Third Party Beneficiaries. This Agreement is entered into for the exclusive benefit of the Parties and the Parties expressly disclaim any intent to benefit anyone not a party to this Agreement.

J) Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable,

shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

K) Liability and Indemnification. Each Party agrees to assume liability for its own risks associated with activities pursuant to this Agreement. Nothing contained in this Agreement is intended to create, or shall be construed in any manner as creating (i) a legal partnership between any Parties to this Agreement or (ii) the right of any party to claim indemnification from another party pursuant to this Agreement except as explicitly stated herein. Other Agreements will include indemnification provisions as appropriate. Nothing herein shall be construed to provide for rights to recovery of any damages, including but not limited to all general, special, pecuniary, consequential or punitive damages as a result of this Agreement. Other Agreements may include such rights, as the parties to such Other Agreements determine appropriate.

L) Examination and Retention of Records. The Parties acknowledge and agree that HUD, or the Comptroller General of the United States, or any of their duly authorized representatives shall, until three years after close-out of the CNI Grant, have access to and the right to examine any of any Party's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions. The periods of access and examination for records relating to disputes or litigation to which HUD, or the Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such disputes or litigation.

M) Opportunities for Low Income and Very Low Income People. The Parties are each committed to fully implementing the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) and to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

N) Opportunities for Minority Firms, Women's Business Enterprises, and Labor Surplus Area Firms. The Parties are each committed to take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are involved in the Transformation Plan. Affirmative steps shall include:

- i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists for work required by the Transformation Plan;
- ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources to perform services or provide supplies related to the Transformation Plan;
- iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

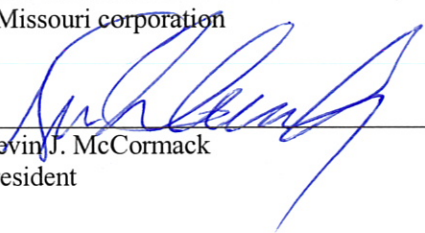
- v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce to promote the involvement of minority firms, women's business enterprises, and labor surplus area firms.

O) Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original, and all of which shall constitute one and the same instrument. Delivery of this Agreement may be effectuated by hand delivery, mail, overnight courier or electronic communication (including by PDF sent by electronic mail, facsimile or similar means of electronic communication). Any electronic signatures shall have the same legal effect as manual signatures.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement, on or as of the date first written above.

MCCORMACK BARON SALAZAR, INC.
a Missouri corporation



Kevin J. McCormack
President

5/27/11

Date

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

Henry A. Alvarez, III
Executive Director

Date

REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

Fred Blackwell
Executive Director

Date

SAN FRANCISCO MAYOR'S INTERAGENCY COUNCIL

Kimberly Wicoff
Director

Date

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Myong Leigh
Deputy Superintendent

Date

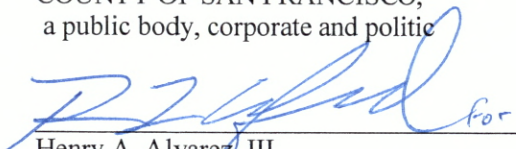
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a Missouri corporation

Kevin J. McCormack
President

Date

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



Henry A. Alvarez, III
Executive Director

5/26/2011

Date

REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

Fred Blackwell
Executive Director

Date

SAN FRANCISCO MAYOR'S INTERAGENCY COUNCIL

Kimberly Wicoff
Director

Date

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Myong Leigh
Deputy Superintendent

Date

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Kevin J. McCormack
President

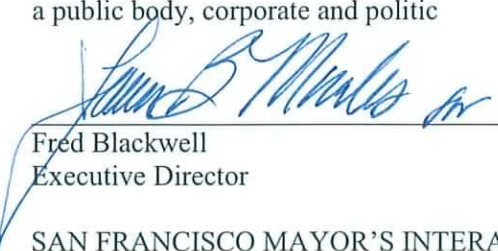
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a public body, corporate and politic

Henry A. Alvarez, III
Executive Director

Date

REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
a public body, corporate and politic



Fred Blackwell
Executive Director

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

5.26.11

Date

SAN FRANCISCO MAYOR'S INTERAGENCY COUNCIL

Kimberly Wicoff
Director

Date

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Myong Leigh
Deputy Superintendent

Date

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MCCORMACK BARON SALAZAR, INC.
a Missouri corporation

Kevin J. McCormack
President

Date

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

Henry A. Alvarez, III
Executive Director

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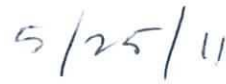
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

Fred Blackwell
Executive Director

Date

SAN FRANCISCO MAYOR'S INTERAGENCY COUNCIL





Kimberly Wicoff
Director

Date

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Myong Leigh
Deputy Superintendent

Date

IN WITNESS WHEREOF, the Parties have duly executed this Agreement, on or as of the date first written above.

MCCORMACK BARON SALAZAR, INC.
a Missouri corporation, for itself and for Double Rock Ventures, LLC

Kevin J. McCormack
President

Date

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

Henry A. Alvarez, III
Executive Director

Date

REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

Fred Blackwell
Executive Director

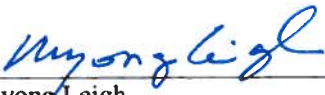
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SAN FRANCISCO INTERAGENCY COUNCIL

Kimberly Wicoff
Director

Date

SAN FRANCISCO UNIFIED SCHOOL DISTRICT



Myong Leigh
Deputy Superintendent

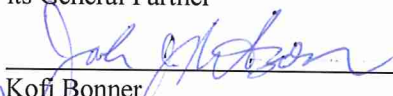


Date

CP DEVELOPMENT CO., LP,
a Delaware limited partnership, for itself and for Double Rock Ventures, LLC

CP DEVELOPMENT CO., LP,
a Delaware limited partnership

By: CP/HPS Development Co. GP, LLC,
a Delaware limited liability company,
its General Partner

By: 
Name: Kofi Bonner
Its: Authorized Representative

5-27-11
Date

URBAN STRATEGIES, INC.,
a Missouri Corporation

Wade Baughman
Chief Operating Officer

Date

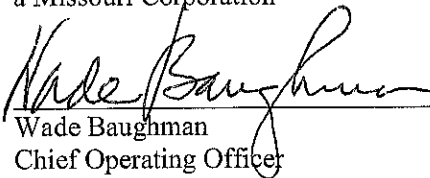
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Date

URBAN STRATEGIES, INC.,
a Missouri Corporation



Wade Baughman
Chief Operating Officer

5/27/2011
Date

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