



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 27, 2009

TO: Amit Ghosh, San Francisco Municipal Transportation Agency
Carter Rohan, San Francisco Municipal Transportation Agency
David Noyola, Supervisor David Chiu's Office
Dawn Kamalanathan, Department of Recreation and Parks
Douglas Shoemaker, Mayor's Office of Housing
Edward D. Reiskin, Department of Public Works
Edward Harrington, San Francisco Public Utilities Commission
John Rahaim, Planning Department
Jon Lau, Supervisor Sophie Maxwell's Office
Jon Swae, Planning Department
Michael Yarne, Office of Economic and Workforce Development
Mike Martin, San Francisco Public Utilities Commission
Nathaniel Ford, San Francisco Municipal Transportation Agency
Suzanne Chen-Harding, San Francisco Municipal Transportation Agency

FROM: Sarah Dennis Phillips, Planning Department

RE: Eastern Neighborhoods Infrastructure Prioritization
Memorandum of Understanding

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Attached please find a fully signed and executed version of the *Eastern Neighborhood Infrastructure Prioritization Memorandum of Understanding* between the Planning Department, the Office of Economic and Workforce Development, the San Francisco Public Utilities Commission, the Department of Public Works, the Recreation and Park Department, and the San Francisco Municipal Transportation Agency. Please note that each Director's signature is on a separate sheet, so there are 7 copies of page 14.

Thank you for all of your cooperation on this effort!!!

Eastern Neighborhood Infrastructure Prioritization

Memorandum of Understanding between

**the Planning Department, the Office of Economic and Workforce Development,
the San Francisco Public Utilities Commission,
the Department of Public Works, the Recreation and Park Department,
and the San Francisco Municipal Transportation Agency**

Purpose

This Memorandum of Understanding ("**MOU**"), dated as of November 24, 2008 for reference purposes, is entered into by and between the following departments of the City and County of San Francisco (the "**City**"): the Planning Department ("**Planning**"), Office of Economic and Workforce Development ("**OEWD**"), the San Francisco Public Utilities Commission ("**SFPUC**"), the Department of Public Works ("**DPW**"), the Recreation and Park Department ("**RecPark**"), the San Francisco Municipal Transportation Agency ("**SFMTA**"), and the Mayor's Office of Housing ("**MOH**"). The purpose of this MOU is to facilitate planning and cooperation efforts in connection with, and to prioritize, certain infrastructure projects to be completed in the Eastern Neighborhood Area, comprised of the East South of Market, the Mission, the Central Waterfront and the Showplace Square/Potrero Hill area (the "**EN Area**"). Cooperation is in the interest of all parties because it would enable all parties to fulfill their common missions and goals, including the planning for the smart growth and revitalization of the EN Area.

Recitals

A. San Francisco's Eastern Neighborhoods comprise the mixed-use and mixed-income communities of the Mission, Eastern SoMa, Central Waterfront and Showplace Square/Potrero Hill. These communities have historically been the location of much of the City's industrial land supply and some of its lower-cost housing. Strong development interest and community planning efforts call for a significant amount of new residential and commercial growth in the Eastern Neighborhoods.

B. Planning has completed a multi-year planning process for the Eastern Neighborhoods. On December 9th, 2008, the San Francisco Board of Supervisors adopted the Eastern Neighborhoods Area Plan (Ordinance Nos 0297-08, 0298-08, 0299-08 and 0300-08; File Nos. 08-1152, 08-1153, 08-1154, 08-1154) (the "**EN Plan**"). The EN Plan rezoned previous M and South of Market Base Districts to reduce land use conflicts between Production, Distribution and Repair ("**PDR**") businesses and other competing uses, to retain existing PDR jobs in some areas and to encourage diverse housing types affordable to a range of incomes and other commercial or mixed-uses in other areas.

C. Planning anticipates an increase of at least 7,365 new housing units, and perhaps up to 10,000 new housing units, and over 13,000 new jobs in the EN Area within the next 20 years. The rezoning will lead to an increase in growth greater than that projected for most other areas in

the City. This future development will impact the EN Area's deficient neighborhood infrastructure by generating greater need for new investment in recreation and open space facilities, transit and transportation improvements, streetscape improvements, affordable housing and community facilities, as described in the Eastern Neighborhoods Public Benefits Program.

D. To ensure that new neighborhood infrastructure and public benefits are provided concurrently with the demands generated by new growth, the City is looking to implement a new funding strategy with those City agencies responsible for implementing capital projects in the EN Area. As a signatory to this MOU, each participating agency agrees to prioritize funding or planning efforts within the EN Area, subject to and in accordance with the terms of this MOU, for specific capital projects as described in Exhibit A attached hereto (the "**EN Priority Capital Projects**") to support the demands generated by future development in the EN Area. Notwithstanding anything herein to the contrary, the parties understand and agree that all funding and planning commitments herein are expressly subject to applicable law, including but not limited to compliance with the California Environmental Quality Act, and the future budgetary decisions of the Board of Supervisors and the policy boards or commissions of the participating agencies, and nothing herein limits the discretion of future boards and commissions.

E. This MOU is intended to demonstrate to the Board of Supervisors that the participatory agencies and their respective commissions are committed to cooperating and to funding, to the extent possible and consistent with their overall budgetary process and procedures, neighborhood improvements in a timely manner consistent with actual development and with related residential and job growth.

Agreement

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties mutually agree as follows:

1. Purpose of this MOU. The primary purpose of this MOU is to facilitate the planning and implementation of municipal capital projects in the EN Area, and to establish a prioritization and funding strategy for specified capital projects in the EN Area. The parties intend to work together to revise improve, implement and develop the EN Priority Capital Projects, as the same may be revised from time to time in accordance with the needs of the community, and to take all appropriate actions to facilitate the proposed capital projects consistent with this MOU and applicable law. The parties agree that the planning prioritization and implementation efforts contemplated by this MOU are in the best interests of the City, as well as the health, safety and welfare of its residents, and are in accordance with the public purposes and provisions of applicable federal, state and local laws. This MOU is intended to provide a commitment for cooperation among the parties in order to proceed with review and consideration of the proposed capital projects in an organized and expeditious manner, to maximize the public benefits that will accrue from the adoption of the EN Plan. The parties shall, for the term of this MOU, undertake and complete all actions or proceedings appropriate to ensure the continued fulfillment of the objectives of this MOU, subject to future discretionary approvals and CEQA review as set forth below. The parties acknowledge and agree that this MOU is entered into for their benefit and not for the benefit of any other party, including but not

limited to any specific developer, neighborhood association, person, or sub-area within the EN Area.

2. Term of this MOU. This MOU shall become effective when signed by authorized representatives of each of the City agencies, following the approval of any applicable Commission, and following the approval of this MOU by the City's Board of Supervisors. Any party may terminate this MOU, with respect to its agency, upon the approval of the applicable Commission (if any) and the Board of Supervisors. Any such termination shall become effective on the effective date of the Board of Supervisor resolution authorizing such termination. Unless sooner terminated as set forth above, this MOU shall terminate twenty (20) years after the effective date of the Board of Supervisor resolution approving this MOU.

3. Commitment to Planning and Implementation Efforts. Subject to section 7 below, the parties to this MOU agree to cooperate and work together to (i) undertake and complete, subject to the availability of funds, the actions necessary to plan and implement the EN Priority Capital Projects in the priority contemplated by this MOU and otherwise in accordance with the terms of this MOU, (ii) to revisit and revise the priority of the EN Priority Capital Projects, and to add to or delete from the list of prioritized projects, as may be mutually agreed by the affected parties based upon the needs of the community and in accordance with the impacts created by development that has occurred within the EN Area, and (iii) devote appropriate resources to cause the identified and approved EN Priority Capital Projects to proceed as expeditiously as reasonably possible, again subject to the appropriation of necessary funds and to environmental review. Without limiting the foregoing, and again subject to Section 7 below, the parties agree to process with due diligence all planning and predevelopment actions reasonably necessary for each of the EN Priority Capital Projects in the agreed-upon priority order, and to treat each of the EN Priority Capital Projects as a priority project, with a need for expeditious processing of planning and approval efforts.

4. EN Working Group. In order to accomplish the goals of this MOU, each City agency agrees, once funding is secured, to designate a senior project manager (the "**EN Managers**") as a primary point of contact for such agency's work related to the EN Priority Capital Projects whenever such coordination is required beyond the scope of the Director's Working Group. The EN Working Group shall meet periodically, as collectively determined by the EN Managers. Planning, with support from OEWD as needed, shall be responsible for coordinating all work under this MOU and for holding the EN Working Group Meetings.

5. Director's Working Group. The Director's Working Group ("**DWG**") was established by the Mayor's Office to ensure coordination of inter-agency actions on transportation and land use matters at the Director's level throughout the City. The DWG consists of the heads of the San Francisco Municipal Transportation Agency, San Francisco County Transportation Authority, Planning, DPW, RecPark, the Mayor's Office on Disability, SFPUC and the City Administrator. The DWG serves as a forum for the heads of these agencies to coordinate and make collective decisions about how to best balance competing demands on City streets and resources, and to effectively plan for and deliver public improvements to meet these demands. Whenever possible, coordination of each participating agency's work related to the EN Priority Capital Projects shall be reviewed by the DWG.

6. Interagency Planning and Implementation Committee (IPIC). The Interagency Planning and Implementation Committee was established by legislation initiated by Supervisor Jake McGoldrick and adopted as Ordinance 265-06, and is comprised of all of the City departments that are responsible for the implementation of an area plan such as the Eastern Neighborhoods. The IPIC provides a vehicle for these City departments to work together with the Planning Department to identify what steps those departments must take to implement area plans, and will serve as the “implementers” of the Eastern Neighborhoods capital program via this MOU.

7. CEQA Review and Process; Reservation of Discretion. Any identified project as part of the EN Priority Capital Projects shall be subject to a process of thorough public review and input and all necessary and appropriate approvals; that process must include environmental review under the California Environmental Quality Act ("CEQA") before a City agency may consider approving the project; the project will require discretionary approvals by a number of government bodies after public hearings and environmental review. Nothing in this MOU commits, or shall be deemed to commit, the City or any other public agency, to approve or implement any project, and they may not do so until environmental review of the project as required under CEQA has been completed; accordingly, the references to an EN Early Start Capital Project or the like in this MOU shall mean the proposed project subject to future environmental review and consideration by the City and other public agencies. The City and any other public agency with jurisdiction over any part of an EN Early Start Capital Project each shall have the absolute discretion before approving the applicable project to: (i) make such modifications to the project as may be necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii) require the implementation of specific measures to mitigate any specific impacts of the project; (iv) balance the benefits of the project against any significant environmental impacts before taking final action if such significant impacts cannot otherwise be avoided; or (v) determine whether or not to proceed with the project. The discretion listed in clause (v) of the preceding sentence shall extend to a City agency's determining not to devote additional resources to planning for a project that is otherwise prioritized by this MOU, if at such time the agency does not view the project as appropriately pursued by that agency and even if such determination is made before the agency's full project approval is required or environmental review is completed,

8. General Principles and Obligations. Subject to the availability of funding and Section 7 above, each City agency agrees to the following general principles and obligations:

(a) Each City agency agrees to prioritize future capital spending on or planning for the list of EN Priority Capital Projects attached hereto as Exhibit A, as such list may be amended from time to time in accordance with the terms of this MOU. Any commitment by a City agency to prioritize funding for EN Priority Capital Projects is subject to and contingent on Planning's collection of a certain threshold amount of EN Development Impact Fees, whether or not these fees are ultimately used to fund the specific list of EN Priority Capital Projects.

(b) Because EN Development Impact Fees can be collected only when new

development occurs, implementation of the EN Priority Capital Projects are partly contingent on new growth in the EN Plan Area. Accordingly, there is no fixed timeline for project delivery—the pace of new development and Planning’s success in collaborating with the City agencies in obtaining grant monies from third parties will dictate delivery of the proposed EN Priority Capital Projects.

(c) Each City agency will provide capital and operational funding for their respective EN Priority Capital Projects up to a maximum percentage of the total estimated project cost for a given project subject to appropriations. The maximum varies by agency; in some cases the participating agency will commit to fully funding an EN Early Start Capital Project regardless of whether matching funds are made available from EN Development Impact Fees. The parties agree to work on a separate schedule for the amount of capital and operational funding for each such project, which schedule may change from time to time during the term of this MOU.

(d) Planning will keep and maintain all EN Development Impact Fees in separate EN Development Impact Fee Account (or, in the case of TIDF, there will be a separate accounting of how much revenue has been generated for SFMTA use from new development in EN Plan Areas) until such time as the Fees are distributed to City agencies for specific EN Priority Capital Projects.

(e) The EN Priority Capital Projects shall be separated into categories relevant to the different City agencies, such as Streetscape Improvements (DPW and SFMTA), Parks & Open Space (RecPark), Transportation (SFMTA) and Affordable Housing (MOH). When the first and lowest funding threshold is reached in each respective category, Planning will inquire if the responsible City agency has the ability to provide sufficient matching capital funds to initiate and complete any given EN Early Start Capital Project. If the City agency has access to adequate capital funding to proceed, Planning will provide funds from the EN Development Impact Fee Account (an “**EN Matching Grant**”) to fund the remaining percentage of project costs.

(f) If the City agency does not have adequate funding ready to proceed, then the City Agency and Planning will seek to find alternative funding sources and to prioritize the identification of additional non-EN Development Impact Fee sources to fund the gap (such as grant monies from third parties like the MTC). As set forth above, however, nothing in this MOU shall limit or decrease the discretionary authority of each City agency with respect to prospective budgeting decisions and the certification of funds requirements set forth in the City’s charter.

(g) If a City agency acquires adequate funding to complete an EN Early Start Capital Project in advance of receiving an EN Matching Grant from the EN Development Impact Fee Account, revenue from the EN Development Impact Fee Account will be used to provide an EN Matching Grant to the next available EN Early Start Capital Project.

(h) Each City agency shall participate during public meetings and hearings, and internal City meetings, whenever possible as requested by Planning or OWED.

9. Planning Obligations. Without limiting the foregoing, Planning covenants and

agrees as follows:

(a) Planning covenants and agrees to devote appropriate staff resources to coordinate the EN Early Start Capital Project program, and to serve as the program coordinator to ensure proper oversight and implementation in accordance with this MOU, subject to available funding from sponsoring parties or from EN Development Impact Fees.

(b) Planning shall provide background information and guidance to the City agencies and their respective consultants and agents regarding the EN Early Start Capital Project and relating planning and implementation efforts.

(c) Planning shall work with each City agency to ensure that all of the EN Priority Capital Projects are planned, reviewed and revised, and ultimately constructed as and when needed, in accordance with the terms of this MOU.

(d) Planning shall cooperate with each City agency in seeking matching and other funds grants for the EN Priority Capital Projects in accordance with the priorities set forth in this MOU. Also, for identified streetscape improvements included on the EN Priority Capital Projects list, Planning will work through the DWG to collaborate with SFMTA, DPW and any other relevant implementing agencies to seek funding to fill needed gaps in EN Priority Capital Projects.

(e) Planning shall furnish available information and environmental analysis about issues related to the environmental effects of planned future EN Priority Capital Projects, as needed to permit the City agencies to implement the projects in accordance with the requirements of CEQA. Without limiting the foregoing, Planning shall prepare, review, revise and comment on draft planning and environmental review documents.

(f) Planning shall provide assistance, as necessary, to address resource concerns and planning issues throughout the capital planning permitting, and construction processes.

(g) Planning shall collect all EN Development Impact Fees in the EN Plan Area and place them in the EN Development Impact Fee Account. Planning shall cooperate with OEWD and the City agencies to identify and refine capital projects in the EN Plan Area that may be implemented with contributions from the EN Development Impact Fee Account. Planning shall also staff and consult with the EN Citizens Advisory Committee as set forth in S.F. Administrative Code Chapter 10E.

(h) In regard to the City-owned property at 17th & Folsom Streets, block 3571 lot 018 (the "Folsom Property"), Planning agrees to consider the creation of a special use district that would zone approximately 40 percent of the Folsom Property to permit housing and other commercial uses, and the remainder of the Folsom Property as open space, subject to review and approval by the Planning Commission and the Board of Supervisors following environmental review. In studying this proposal, Planning will look at and analyze the possibility of permitting structures up to 58 feet in height with no set-backs, consistent with surrounding zoning as proposed in the EN Plan, and the possible inclusion of a provision that would waive any on-site

open space requirements for residential/commercial uses on the buildable portion of the Folsom Property in recognition of the dedication of the majority of the site as open space.

10. OEWD Obligations. Without limiting the foregoing, OEWD covenants and agrees as follows:

(a) OEWD covenants and agrees to devote appropriate staff resources to perform the functions required of OEWD under this MOU.

(b) With respect to the Folsom Property, OEWD will provide technical assistance and support to RecPark and Planning, as currently provided through their Community Benefit Districts (CBD) program, to assist in the formation of a Parks Improvement District ("PID") for properties located near or adjacent to the Folsom Property if a portion of the Folsom Property is zoned for public parks or open space.

(c) OEWD shall provide guidance, as necessary, to address resource concerns and planning issues throughout the capital planning permitting, and construction processes.

11. SFPUC Obligations. Without limiting the foregoing, and subject to Section 7 hereof, SFPUC covenants and agrees as follows:

a) SFPUC covenants and agrees to devote appropriate staff resources to perform the functions required of SFPUC under this MOU.

b) SFPUC will work with Planning, MOH and RecPark on the potential rezoning and sale of the Folsom Property, including the appraisal of the Property, and will consider the transfer of open space to RecPark following environmental review and the payment of the appraised value in accordance with applicable law.

c) SFPUC staff will provide information to Planning regarding the Folsom Property as requested in connection with the potential rezoning of the Folsom Property.

(d) Planning for the Folsom Property shall not be an SFPUC responsibility under this MOU, including but not limited to the capital and operational funding responsibilities herein.

12. DPW Obligations Regarding Streetscape Improvements. Without limiting the foregoing, DPW covenants and agrees as follows:

(a) DPW covenants and agrees, once funding is secured, to devote appropriate staff resources to perform the functions required of DPW under this MOU.

(b) For identified streetscape improvements included on the EN Priority Capital Projects list, DPW will work through the DWG to collaborate with SFMTA and any other relevant implementing agencies, and work through the Capital Planning Committee to seek funding from their respective budgets for not less than fifty percent (50%) of each EN Early Start

Capital Project.

(c) Once fifty percent (50%) of a EN Early Start Capital Project budget is collected by Planning and deposited in the EN Development Impact Fee Fund, Planning will contact the DWG and offer a EN Matching Grant if DPW, SFMTA or other member agencies of the DWG are able to fund the remaining gap and commence work on the selected EN Early Start Capital Project.

(d) One appropriate use of EN Development Impact Fee funding shall be to support project management required to development and construction of streetscape improvements, once a minimum amount of funding has been collected for design and construction.

(e) If, for any reason, DPW, SFMTA or other member agencies of the DWG are unable to commence a streetscape improvement identified as an EN Early Start Capital Project despite the availability of EN Matching Grants over an extended time period (potentially 5 years), then (i) the funds shall be made available to other City agencies for EN Priority Capital Projects, and (ii) if there are no City agencies that have applied for or are in a position to spend the applicable funds, then individual project sponsors or other third parties (such as a local Community Development Corporation) could apply to Planning for the applicable EN Matching Grants to perform the specified work or to perform other in-kind public benefit or infrastructure projects; provided, any such distribution to non-City agencies shall be subject to the prior review and approval of Planning, DPW, SFMTA and the Board of Supervisors.

13. SFMTA Obligations Regarding Transportation Projects. Without limiting the foregoing, SFMTA covenants and agrees as follows:

(a) SFMTA covenants and agrees to devote appropriate staff resources to perform the functions required of SFMTA under this MOU.

(b) The EN Plan includes a Public Benefits Program that will provide a mechanism for funding infrastructure improvements that enable development intensity and make walking, bicycling and transit attractive transportation options. Depending on the amount of future development and the specific funding tools employed in the EN Plan Area, approximately \$50 million from EN Development Impact Fees alone is anticipated to help fund transportation improvements.

(c) The trolley extension of Muni Route 22-Fillmore on 16th Street to Mission Bay has been identified in the EN Priority Capital Projects list as the top priority early start Eastern Neighborhood transportation infrastructure project. The proposed extension project would include the installation of trolley coach infrastructure into Mission Bay along 16th Street and Third Street for a length of less than one mile to accommodate the rerouted Muni Route 22-Fillmore along 16th Street east of Kansas Street to a terminal on Third Street in Mission Bay.

(d) SFMTA agrees to coordinate planning for the Muni Route 22-Fillmore extension to Mission Bay as the top priority early start transportation infrastructure project in the EN Plan Area.

(e) Within Mission Bay, the existing master developer, Catellus, has provided the

support structures needed for over-head wiring along 16th Street in Mission Bay. SFMTA has made progress towards completion by incorporating the construction of the overhead wires on the blocks of 16th Street from Kansas to Connecticut as part of the 16th Street Overhead Replacement project (from South Van Ness Ave. to Connecticut St.). The project requires additional design and engineering work, including, without limitation, as it affects the 16th Street Caltrain crossing. At this time, SFMTA has secured approximately \$4.5 million in Prop K funds towards the total estimated project cost of \$12M (based on current cost estimates). SFMTA will continue to apply to multiple funding sources in an attempt to bridge the remaining \$7.5M funding gap.

(f) Once fifty percent (50%) of the total funding gap needed to finance the Muni Route 22-Fillmore extension project has been collected from new development in the Eastern Neighborhoods Plan Area and is available for the project, design and appropriate environmental review have been completed, the Planning Department may offer a EN Matching Grant if SFMTA is able to fund the remaining gap and commence work on the Muni Route 22-Fillmore extension project. Full implementation of the Muni Route 22-Fillmore extension project is contingent upon the availability of revenue generated from transit-related impact fees from projects in the Eastern Neighborhoods, as well as other Plan-supported funding sources to bridge the project's funding gap, unless other non-Eastern Neighborhoods sources of funding have been identified and secured.

(g) For identified streetscape improvements included on the EN Priority Capital Projects list, SFMTA will work through the DWG to collaborate with DPW and any other relevant implementing agencies to seek funding from their respective budgets for not less than fifty percent (50%) of each EN Early Start Capital Project. Once fifty percent (50%) of a EN Early Start Capital Project budget is collected by Planning and deposited in the EN Development Impact Fee Fund, Planning will contact the DWG and offer a EN Matching Grant if SFMTA and DPW are able to fund the remaining gap and commence work on the selected EN Early Start Capital Project.

(h) If, for any reason, SFMTA or DPW are unable to commence a streetscape improvement identified as an EN Early Start Capital Project despite the availability of EN Matching Grants over an extended time period (potentially 5 years), then SFMTA acknowledges and agrees that (i) the funds shall be made available to other City agencies for EN Priority Capital Projects, and (ii) if there are no City agencies that have applied for or are in a position to spend the applicable funds, then individual project sponsors or other third parties (such as a local Community Development Corporation) could apply to Planning for the applicable EN Matching Grants to perform the specified work or to perform other in-kind public benefit or infrastructure projects; provided, any such distribution to non-City agencies shall be subject to the prior review and approval of Planning, DPW, SFMTA and the Board of Supervisors.

(i) SFMTA further agrees to coordinate planning and implementation of additional transportation and streetscape improvement projects in the EN Plan Area generally in accordance with the terms of this MOU.

(j) Without limiting the foregoing, SFMTA acknowledges and agrees that any

transportation or streetscape improvement project in the EN Plan Area is contingent on development occurring in the Eastern Neighborhoods, and will proceed according to an increased level of transit service demand from this new development as, when and where it occurs. Full implementation of any proposed project is contingent upon (i) transportation demands caused by new development, (ii) completion of environmental review, and (iii) the availability of revenue generated from transit-related impact fees as well as other funding sources.

14. RecPark Obligations Regarding Parks and Open Space Projects. Without limiting the foregoing, RecPark covenants and agrees as follows:

(a) RecPark covenants and agrees to devote appropriate staff resources to perform the functions required of RecPark under this MOU.

(b) RecPark agrees to dedicate staff to review and consider the possibility of a public park on part of the Folsom Property, and to work with other City agencies on the rezoning and planning efforts as may be necessary to create a public park on the Folsom Property or on other property in the vicinity. RecPark agrees to work with other City agencies to develop creative funding strategies to ensure that new parks are developed as soon as reasonably possible.

(c) Once seventy five percent (75%) of the appraised value of a site on which the City intends to develop a park is collected by Planning and deposited in the EN Development Impact Fee Fund, Planning will contact RecPark and offer a EN Matching Grant if RecPark is able to fund the remaining gap to acquire the site through use of Prop K Open Space Funds or other funds. RecPark will use reasonable efforts to seek funds for the remaining gap.

(d) Once fifty percent (50%) of the estimated capital costs for design and construction of a proposed park is collected by Planning and deposited in the EN Development Impact Fee Fund, Planning will contact RecPark and offer a EN Matching Grant if RecPark is able to fund the remaining gap through use of Prop K Open Space Funds or other funds. RecPark will use reasonable efforts to seek funds for the remaining gap.

(e) One appropriate use of EN Development Impact Fee funding shall be to support a project manager for acquisition, development and construction necessary to create a public park on the Folsom Property; and shall be considered once a minimum amount of funding has been collected for both site acquisition and for design and construction,

(f) RecPark agrees to coordinate planning and implementation, with the support of Planning and OEWD, of a Parks Improvement District ("PID") to fund future maintenance of any future park in the EN Plan Area. In the event that RecPark cannot implement a new PID, it covenants and agrees to use reasonable efforts to seek alternative funding sources, subject to budgetary constraints and applicable law.

15. MOH Obligations Regarding Affordable Housing Projects. Without limiting the foregoing, MOH covenants and agrees as follows:

(a) MOH covenants and agrees to devote appropriate staff resources to perform the functions required of MOH under this MOU.

(b) MOH agrees to use good faith efforts to acquire appropriate land for the construction of 150 Below Market Rate affordable units within the EN Plan Areas within five years following the adoption of the EN Plan.

(c) Subject to the identification and timing of appropriate affordable housing projects, MOH agrees to use good faith efforts to designate \$10M of newly generated affordable housing fees to be used for acquisition and rehabilitation projects in the Mission and South of Market Sub-Areas of the EN Plan, subject to Board of Supervisor approval as required and following all necessary environmental review.

(d) With the assistance of Planning, MOH agrees to use good faith efforts to dedicate approximately seventy-five percent (75%) of all new EN Development Impact Fees collected within the Mission NCT and South of Market Youth and Family Zone ("YFZ") to finance the acquisition, development and construction of new Below Market Rate affordable housing in these areas.

16. Retention of Discretion. Each City agency, including their respective boards, commissions, and officials, shall exercise its sole discretion over all matters relating to the EN Priority Capital Projects over which it has jurisdiction consistent with legal requirements, customary practices, and public health, safety, convenience and welfare, and each shall retain, at all times, its respective authority to take any action under its jurisdiction that is necessary to protect the health, safety, convenience and welfare of the public.

17. Notices. Any notices required or permitted to be given under this MOU shall be in writing and shall be delivered (a) in person, (b) by mail or overnight delivery, or (c) by fax, and such notices shall be addressed as follows:

OEWD:

Office of Economic and Workforce
Development
City Hall, Rm. 488
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102
Attn: Michael Yarne
(f) 415-558-7844

Planning:

John Rahaim,
Planning Director
San Francisco Planning Department
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2479
(f) 415-558-6409

DPW:

Edward D. Reiskin
Director, Department of Public Works
Department of Public Works
1 Dr. Carlton B. Goodlett Place
City Hall, Room 348
San Francisco, CA 94102
(f) (415) 554-6944

RecPark:

Dawn Kamalanathan
McLaren Lodge & Annex
501 Stanyan Street
San Francisco, CA 94117
Dawn.Kamalanathan@sfgov.org

SFMTA:

Carter Rohan, Senior Director
Transportation Planning and Development
San Francisco Municipal Transportation
Agency
1 South Van Ness, Suite 7056
San Francisco, CA 94103-5417
Carter.Rohan@sfmta.com
(f) 415-701-4735

MOH:

Douglas Shoemaker,
Acting Director
Mayor's Office of Housing
1 South Van Ness, 5th floor
San Francisco, CA 94103
(f) 415-701-5501

SFPUC:

Mike Martin
San Francisco Public Utilities Commission
1155 Market St., 11th Floor
San Francisco, CA 94103

or such other address as a party may from time to time specify in writing to the other parties. Any notice shall be deemed given when actually delivered if such delivery is in person or by fax, and the next business day if such delivery is by overnight courier.

18. General Provisions.

(a) Details for implementation of the provisions of this MOU that are not specified herein may be specified at a later, appropriate time in written addenda to this MOU, signed by all of the applicable parties. Upon execution, the addenda shall automatically be incorporated into this MOU.

(b) Each party will contribute staff, funds and other resources toward implementation of this MOU to the extent available, beneficial, within its lawful authority and otherwise appropriate. Nothing in this MOU shall obligate the City or any of its agencies to expend funds or other resources except as expressly agreed upon herein.

(c) Each City agency agrees to grant to the other City agencies, and their respective staff, access to its real property in the EN Plan Area as required to carry out the provisions of this MOU. Each City agency shall be responsible for the acts of its employees and agents and for any damage caused by such parties.

(d) This MOU shall be governed by the applicable laws of California and the City's Charter and Administrative Code. Should any provision of this MOU be found void or unenforceable, it shall be severable from the rest of the MOU and the remaining terms shall be enforced as if the unenforceable term had not existed.

(e) Nothing in this MOU shall be construed as giving a City agency the right or ability to bind other City agencies, and nothing in this MOU shall be construed to create any joint liability with regard to, or as a result of, the activities undertaken by any of the City agencies to implement this MOU.

(f) No party may assign any rights or obligations granted to it by this MOU to a third party.

(g) No party waives any of the privileges and immunities from liability, exemption from laws, ordinances, and rules, or any relief and/or other benefits that it would otherwise have.

(h) This MOU shall not affect any existing agreements between the parties, or between a party and third parties.

(i) Subject to the provisions set forth herein with respect to the EN Development Impact Fees, each party shall be responsible for its own costs incurred in implementing this MOU.

(j) This MOU contains the complete agreement of the parties with respect to the subject matter of this MOU and there are no other agreements, oral or written, except as are included in the terms of this MOU. This MOU shall be deemed to have been drafted by all parties. There are no intended third party beneficiaries of this MOU, including but not limited to any member of the public or any resident in the EN Plan Area.

SIGNATURES

Board of Supervisor Resolution No. _____ (File No. _____)
Adopted on _____

OEWD

Michael Cohen, Director, Office of Economic and Workforce Development

Planning

John Rahaim, Director of Planning

DPW

Edward D. Reiskin, Director of Public Works

RecPark

Jared Blumenfeld, Acting Director

SFMTA

Nathaniel P. Ford, Sr, Executive Director/CEO

MOH

Douglas Shoemaker, Acting Director

SFPUC

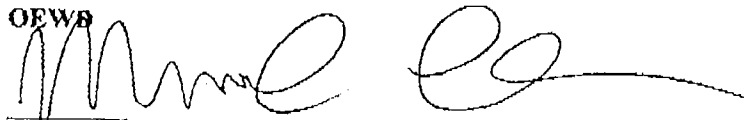
Ed Harrington, General Manager

Memorandum of Understanding

November __, 2008

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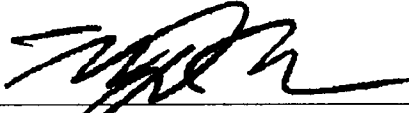
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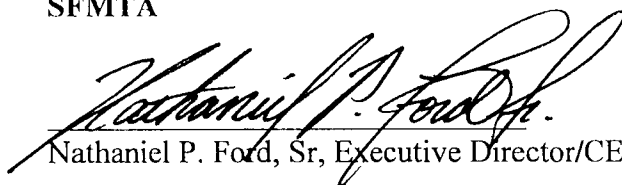
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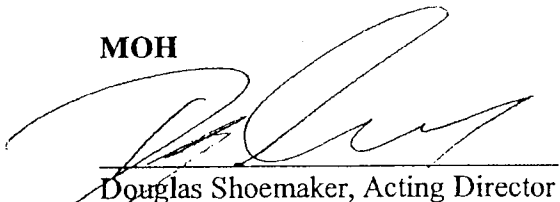
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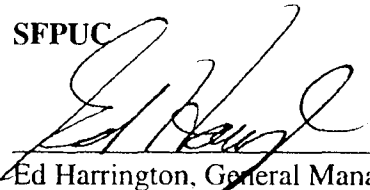
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SFPUC



Ed Harrington, General Manager

Exhibit A**EN Priority Capital Projects****List of Projects to Be Considered by the DWG (in order of priority)****Townsend Street - Pedestrian Improvements**

Townsend Street provides a direct route to the Caltrain Station (4th & King Streets). The project includes the introduction of a parking lane buffer to accommodate pedestrian traffic where no sidewalks exist along Townsend Street from 4th to 8th Streets, using funding secured by MTA to install "wheel blocks" and paint stripes to establish a clear, safe walkway to the Caltrain station. Future improvements, not included as part of this project, may include long-term improvements implemented as a part of the Transbay Joint Powers Authority (TJPA) Transit Center project phase II downtown rail extension.

- Total Cost: TBD, depending on scope of improvements.
- Funding available: \$10,000 (SFMTA)
- Need: TBD.
- No matching funds required; SFMTA/DPW to commence construction as soon as possible.

Victoria Manalo Draves Park - Pedestrian Improvements

Pedestrian improvements include a mid-block crosswalk, bulb outs and traffic/pedestrian signal to connect pedestrians between the Soma Eugene Friend Recreation Center, Bessie Carmichael School and the park. These improvements should be coordinated with DPW's Folsom St resurfacing project.

- Total Cost: \$611,000. Note: cost is an estimate only, pending further capital cost estimates.
- Funding available: \$0
- Need: \$611,000

Folsom Street – Streetscape Improvements

The Eastern Neighborhoods Plans call for redesigning Folsom Street as a "civic boulevard" to serve as a major neighborhood commercial street in the South of Market. The improvements should be coordinated with DPW's Folsom St resurfacing project. Streetscape improvements may include all or some of the following: street tree plantings, tree grates, curb bulb-outs, special paving, pedestrian lighting, widened sidewalks, street restriping and transit shelters.

- Total Cost: \$11,000,000. Note: cost is an estimate only, pending further capital cost estimates.
- Funding available: \$0
- Need: \$11,000,000

16th Street - Streetscape Improvements

In recognition of 16th Street's role as a major transit corridor in the Eastern Neighborhoods an accompanying streetscape plan will be developed. Streetscape improvements should be

directed towards improving pedestrian and transit connections, and may include all or some of the following: cross-walk improvements, street tree plantings, tree grates, curb bulb-outs, pedestrian lighting, and transit shelters.

- Total Cost: \$8,500,000. Note: cost is an estimate only, pending further capital cost estimates.
- Funding available: \$0
- Need: \$8,500,000

List of MTA Projects

16th Street - Transit Improvements.

The project involves an extension of the Muni Route 22-Fillmore along 16th Street east of Kansas Street to a terminal on Third Street in Mission Bay. The proposed extension will provide a transit link between the 16th Street BART station, Mission District, Showplace Square, Mission Bay and the Third Street Light Rail. Capital costs include the installation of new overhead trolley wires along 16th Street from Kansas Street to Third Street.

- Total Cost: \$12,000,000. Note: cost is an estimate only, pending further capital cost estimates.
- Funding available: \$4,500,000 (Prop K)
- Need: \$7,500,000

List of RecPark Projects

New 17th & Folsom Park

The project seeks the planning, design and construction of a new park in the Mission. Specifically, this project entails the creation of a new park atop approximately 60% of the existing PUC-owned surface parking lot on 17th & Folsom Streets.

- Total Cost: Cost is pending further capital cost estimates.
- Funding available: \$0
- Need: TBD

List of Planning Projects

Showplace Square Open Space Plan (including implementation of one open space project)

The Showplace Square neighborhood has been determined to be deficient in open space. An open space and streetscape plan will be developed to identify opportunities where excess street right-of-way can be used to create new public plazas and open spaces. This project will include the design and construction of one new public open space.

- Total Cost: \$2,600,000. Note: cost is an estimate only, pending further capital cost estimates.
- Funding available: \$0
- Need: \$2,600,000

List of MOH Projects (in order of priority)

New Affordable Housing Units

The acquisition of appropriate land for the construction of 150 Below Market Rate affordable units, at a minimum, within the EN Plan Areas within five years following the adoption of the

EN Plan. MOH shall further dedicate approximately seventy-five percent (75%) of all new EN Development Impact Fees collected within the Mission NCT and South of Market Youth and Family Zone ("YFZ").

Eastern Neighborhoods Acquisition and Rehabilitation Program

Using \$10M of affordable housing fees generated from the Eastern Neighborhoods Impact Fess, MOH shall acquire and rehabilitate existing housing projects in the Mission and South of Market Sub-Areas of the EN Plan.

