

General Counsel Bryan responded that the new Commission is still bound to the prior Agency's contracts and they would have to be honored. He stated these contracts could be renegotiated but the other party would have to agree to any changes.

Vice Chair Rosales stated that there may be more conversations with UCSF over this item and thus an opportunity for renegotiation.

Commissioner Mondejar inquired as to whether they should approve this at all or put that language in as a condition.

Chair Johnson responded that they cannot do that because this is an approval of an authorized predevelopment costs loan. She explained that the liquidated damages would be part of the amended DDA, which is a different document. Ms. Johnson pointed out that they don't need to add anything about the liquidated damages to this resolution. She stated that, instead, they will have to go back to some of the already negotiated items, especially the affordable housing priority piece, which has to be reconsidered. Ms. Johnson explained that they can go back to other items as well but they will all get resolved as part of the DDA, not this loan, which will go to reimbursing costs that the developer has already taken on to look at the site.

Vice Chair Rosales inquired as to whether the two things could be aligned, so that instead of having this action go first before further negotiations are finalized and presented, could they not improve their negotiating position by approving this.

Chair Johnson stated that this was possible and what they could do is to delay the item until the DDA is considered.

Vice Chair Rosales recommended delay of the item.

Chair Johnson stated that if they were to do that, they would just not approve the item.

Ms. Oerth reminded Commissioners that if this item were delayed, they would not have ROPS coverage with the Department of Finance to have the expenditure authority to make the loan commitment, because they only have through June 30, which is the end of the ROPS period, to make the loan commitment. She explained that the \$2 million loan is on ROPS 3 but it is not on ROPS 1314A, so the next opportunity to have it on the ROPS would be ROPS 1314B, which wouldn't go into effect until January 1.

Vice Chair Rosales inquired as to whether they could issue an approval on a "not to exceed", meaning approve the \$2 million but have shorter disbursements or authorize fewer disbursements rather than the entire amount, so in effect grant the authority to loan but not necessarily the granting of the entire loan.

Ms. Oerth responded that there can always be disbursements conditions.