

450-2432017-002

Meeting of July 18, 2017

## INFORMATIONAL MEMORANDUM

**TO:** Community Investment and Infrastructure Commissioners

**FROM:** Nadia Sesay, Interim Executive Director

**SUBJECT:** Informational memorandum transmitting the Candlestick Point and Hunters Point Shipyard Master Developer's Report on compliance with the Community Benefits Programs for January through March of 2017 and OCII staff analysis; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

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## EXECUTIVE SUMMARY

As required in the Phase 1 Community Benefits Agreement ("CBA") and at the request of the Commission on Community Investment and Infrastructure ("Commission"), the Master Developer has provided a Quarter 4 Community Benefits Report (Attachment 1) demonstrating their efforts to comply with commitments contained in the Hunters Point Shipyard Phase 1 and Candlestick Point and Phase 2 of the Hunters Point Shipyard Disposition and Development Agreements ("DDAs"). Both the Phase 1 and Phase 2 DDAs contain robust Community Benefit commitments to be fulfilled by the Master Developers.

OCII staff has reviewed the report submitted by the Master Developer and provided comments in the attached HPS/CP OCII Community Benefits Compliance Analysis table (Attachment 2), for all the community benefits for each phase.

As illustrated in the attached Community Benefits Compliance table, the Master Developer is in substantial compliance with its requirements under the CBAs and has provided an array of benefits to the District 10 neighborhood. Where requirements have not been fully met, the letter to the Master Developer (Attachment 2) addresses next steps, proposes improvements by the Developer moving forward, or requests additional information.

## Future Updates

Per the Phase 1 CBA, the Phase 1 Master Developer is required to provide quarterly written status reports on all Phase 1 community benefits programs to the Commission and make quarterly presentations to the Mayor's Hunters Point Shipyard Citizen's Advisory Committee. The next

Edwin M. Lee  
MAYOR

Nadia Sesay  
INTERIM  
EXECUTIVE DIRECTOR

Marilyn Mondejar  
CHAIR

Miguel Bustos  
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Mara Rosales  
Darshan Singh  
COMMISSIONERS

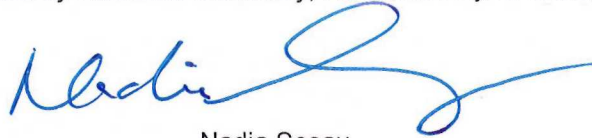
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quarterly community update will occur in September 2017 and cover the period from April 2017 through June 2017. At the Commission's request, OCII staff will provide the Master Developer's Community Benefit Program updates to the Commission with staff's analysis of compliance with the CBA, which will continue to illustrate the cumulative impact of the Phase 1 and Phase 2 CBAs.

*(Originated by Kasheica McKinney, Assistant Project Manager)*



Nadia Sesay  
Interim Executive Director

Attachment 1: 2017 Quarter 1 Master Developer's Report on Community Benefits

Attachment 2: Letter to Master Developer on 2017 Quarter 1 Community Benefits Compliance Status

# HPS 1 and CPHPS 2 Community Benefits Compliance Report Q1 2017

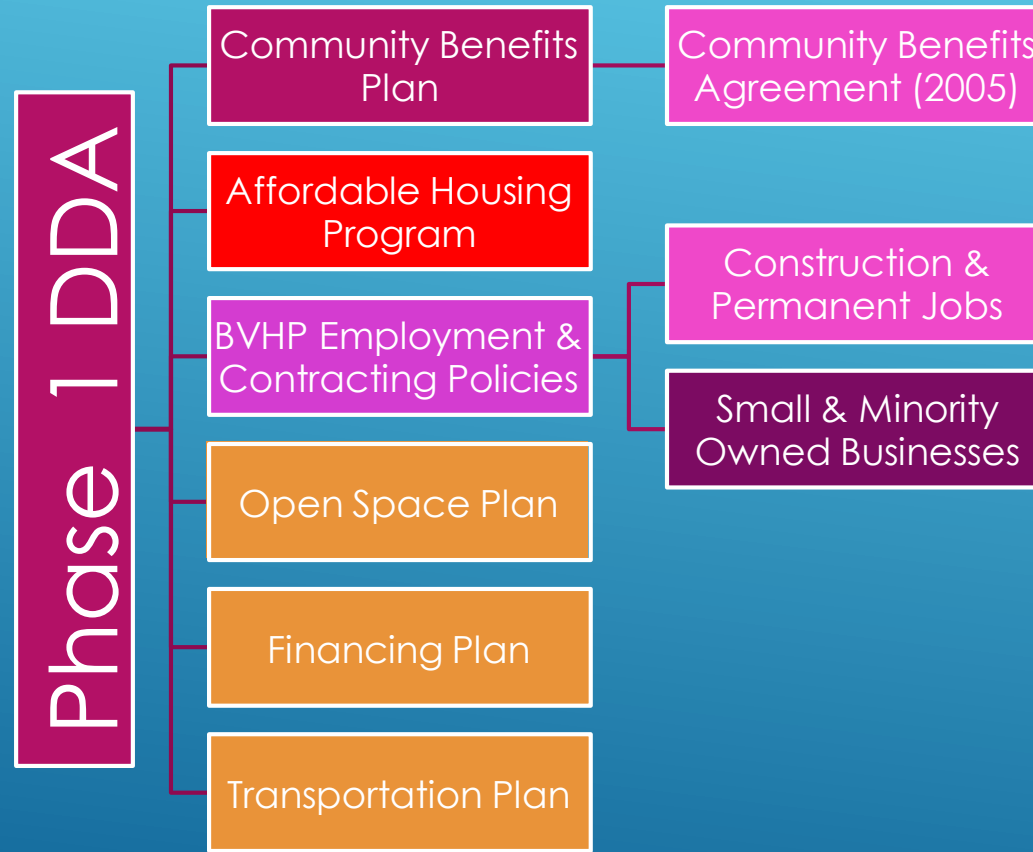
# GOVERNING DOCUMENTS

## Disposition and Development Agreements

- ▶ Hunters Point Shipyard – Phase 1
- ▶ Hunters Point Shipyard/Candlestick Point- Phase

## Core Community Benefits Agreement – (Phase 2 only)

# PHASE 1: DISPOSITION & DEVELOPMENT AGREEMENT



- **Parties:** OCII & HPS Development Co., LP
- **HPS Phase 1 DDA:** Entered into 2004
- **Phase 1 CBA:** Entered into 2005; amended 2009
- **CBA Overseen by:**
  - Commission on Community Investment and Infrastructure
  - HPS Citizens Advisory Committee (CAC)
  - Legacy Foundation

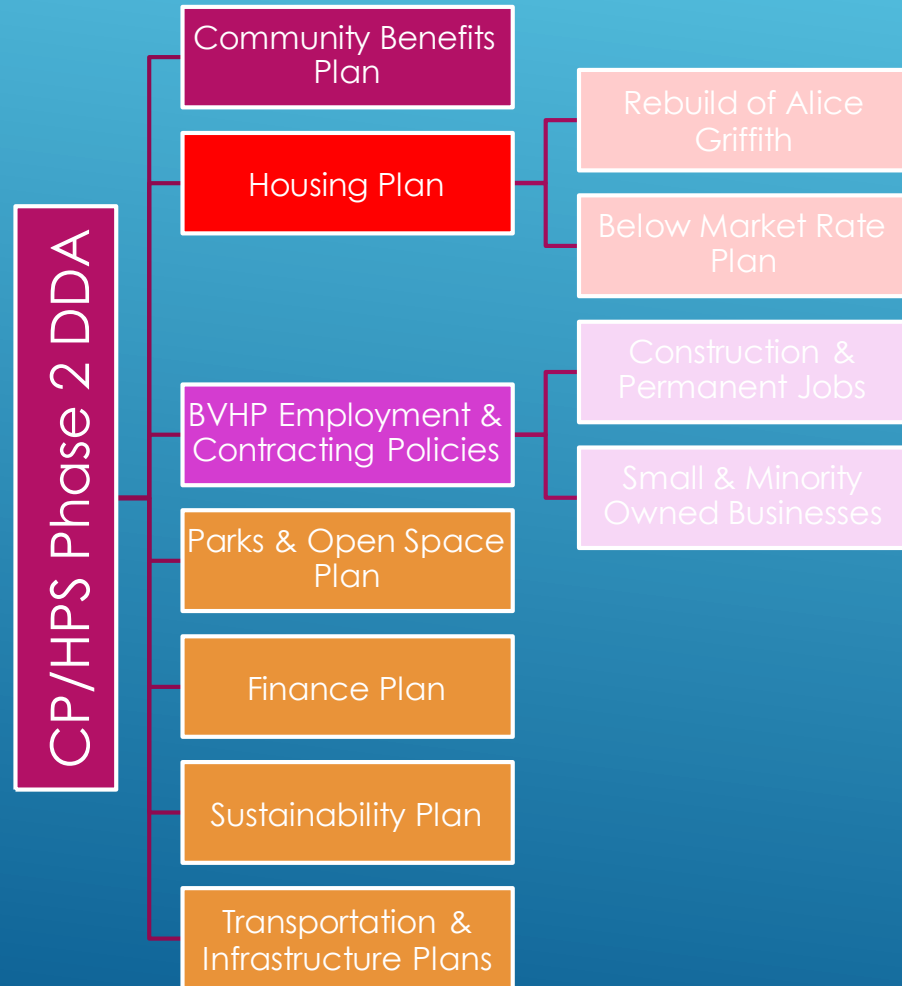
# PHASE 1: COMMUNITY BENEFITS

- ❑ Construction Assistance Program\*
- ❑ Community Builder Program \*
- ❑ Interim African Marketplace \*
- ❑ Local Community Priority Leasing Program Reporting
- ❑ Outreach Program
- ❑ Community Facilities Parcels \*
- ❑ Cultural/Historic Recognition Program
- ❑ Business Incubator Space Program \*
- ❑ Home Buyers Assistance Program
- ❑ Job Training & Employee Assistance
- ❑ Small Business Assistance Program
- ❑ Community Benefits Fund\*

\*Denotes Community benefits carried forward into Phase 2

# PHASE 2: DISPOSITION & DEVELOPMENT AGREEMENT

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**Parties:** OCII & CP Development Co., LP

**CP & HPS Phase 2 DDA:**  
Entered into 2010

**CBA Overseen by:**

- ❑ Commission on Community Investment and Infrastructure
- ❑ HPS Citizens Advisory Committee (CAC)
- ❑ Legacy Foundation

## PHASE 2: COMMUNITY BENEFITS

- ❑ Construction Assistance Program
- ❑ Community Builder Program
- ❑ Interim African Marketplace
- ❑ Community Facilities Space
- ❑ Community Facilities Parcels
- ❑ Community Real Estate Broker Program
- ❑ Business Incubator Space Program
- ❑ Scholarship Fund
- ❑ Education Improvement Fund
- ❑ Community Health and Wellness Contributions

# DEVELOPMENT PROJECTS UNDERWAY

- ▶ HPSY Blocks 50-51, Blocks 53-54, and Welcome Center (complete)
- ▶ HPSY Blocks 56-57
- ▶ HPSY 49 (complete)
- ▶ HPSY Regional Parks- Innes Court/Park & Hillpoint Park Overlook
- ▶ Candlestick Park Demolition(complete)
- ▶ Alice Griffith Infrastructure (CP01)
- ▶ Alice Griffith Gilman Sewer (CP01) (complete)
- ▶ Alice Griffith Demo, Mass Grading & Surcharge (complete)
- ▶ Candlestick Point Surcharge (CP02,03,04)
- ▶ Candlestick Point Wet Utilities (CP02,03,04)
- ▶ HPSY Commercial Kitchen (near completion)
- ▶ HPSY Artist Parcel Demolition, Mass grading & Utilities
- ▶ HPSY Pocket Parks 15-16 (complete)
- ▶ Hilltop Streetscape
- ▶ HPSY Existing Building Abatement - First Phase
- ▶ Hillside Infrastructure (anticipated start = end Q2 2017)
- ▶ HPSY Block 48 (anticipated start = TBD)
- ▶ HPSY Block 55 (anticipated start = early Q2 2017)

\*underway

# COMMUNITY BENEFITS PROGRAM HIGHLIGHTS- *FROM INCEPTION THRU Q1 2017*

- ▶ \$15,229,325 in direct Community Benefit expenditures
- ▶ Job training expenditures \$2,082,872 to date
- ▶ Contractor Assistance Expenditures \$1,358,946 through Q1 2017.
- ▶ 7046 jobs created
- ▶ Nearly 36.33% of workforce hours contributed local SF Residents
- ▶ Minorities comprise 61% of the workforce
- ▶ 1,893,728.43 hours of labor generated
- ▶ 429 units being built with Community Builders on Phase 1 (another \*224 anticipated) (includes Block 49 – Pacific Pointe)
- ▶ \$1,715,000 in grants made through the Implementation Committee to date
- ▶ Alice Griffith – When complete, minimum of \$50M will have been contributed

\*Inception to Q1 2017

# Direct Expenditures and/or Payments To Date – As of Q1 2017

9

## DDA – PHASE 1 & 2

|                                              |              |
|----------------------------------------------|--------------|
| Community Benefits Fund                      | 1,000,000.00 |
| Community Health and Wellness Contributions  | 350,000.00   |
| Construction Assistance Program              | 1,358,946.00 |
| Education Improvement Fund                   | 500,000.00   |
| Interim African Marketplace                  | 192,000.00   |
| Job Training & Employee Assistance           | 2,082,872.00 |
| Outreach Program (incl Homebuyer Assistance) | 1,035,507.00 |
| Scholarship Fund                             | 500,000.00   |
| Small Business Assistance Program            | 10,000.00    |

**7,029,325.00**

## CCBA

|                              |              |
|------------------------------|--------------|
| Community First Housing Fund | 5,698,000.00 |
| Workforce Program Funding    | 2,075,000.00 |
| Technical Assistance Funding | 427,000.00   |

**8,200,000.00**

**15,229,325.00**

## Q1 2017 Construction Workforce Program Performance

San Francisco Residents: 32,207 hrs. Approx. 26.75 %

District 10 Residents: 13,664 hrs. Approx. 12.91%

|                         | Total Hours | % of Total Work hours |
|-------------------------|-------------|-----------------------|
| San Francisco Residents | 32,207.35   | 26.75%                |
| Total Minorities        | 68,152.29   | 56.60%                |
| Black/African American  | 14,735.75   | 12.24%                |
| Hispanic                | 48,723.25   | 40.47%                |
| Asian/Pacific Islander  | 3,158.29    | 2.62%                 |
| Caucasian               | 25,148.00   | 20.89%                |
| Native American/Alaskan | 1,535.00    | 1.27 %                |
| Other                   | 27,100.75   | 22.51 %               |
| Women                   | 3,331.00    | 2.77%                 |

# PHASE 1 HOUSING UNITS

| Block Numbers | Total Units | BMRs |
|---------------|-------------|------|
| 1             | 224*        | TBD  |
| 48            | 404         | 56   |
| 49            | 60          | 59   |
| 50            | 25          | 3    |
| 51            | 63          | 6    |
| 52            | 77*         | 9*   |
| 53            | 93          | 9    |
| 54            | 66          | 7    |
| 55E/W         | 25/41       | 3    |
| 56A           | 36          | 3    |
| 57A/B         | 96          | 12   |
| * proposed    |             |      |

# PHASE 1- CONTRACTOR ASSISTANCE PROGRAM

- ▶ **a) Technical Assistance Program:** Butler Enterprise Group administers the Phase 1 and Phase 2 CAP program. Twenty (20) contractors received TA during Q1 2017, including two new contractors to the program. Administrator reports will provide greater detail.
- ▶ **b) Financial Assistance Program:** Butler Enterprises continues to conduct “Access to Capital” workshops and provides other Financial Assistance. **Mobilization Fund:** To date, nine (9) firms have received loans, with \$333K in loans made to date. New matching funds are forthcoming through LF as the Strategic Plan was approved 2/7/17.
- ▶ **c) Mentorship Program:** The Mentorship Protégé program has been administered by Renaissance Entrepreneurship Center since 2010. More information contained in next slide.
- ▶ **d) OCIP:** Due to limited insurance market capacity during this time, it was not feasible for Phase 1 Master Developer to purchase a \$145M insurance policy. Consequently, Phase 1 Master Developer resorted to address GL limits by establishing them on a project-by-project basis via insurance requirements in licenses & permits to enter and VDDAs approved by OCII. We continue to maintain the program.

# PHASE 1- CONTRACTOR ASSISTANCE PROGRAM MENTORSHIP PROTÉGÉ PROGRAM

- ▶ Administered by Renaissance Entrepreneurship Center
- ▶ The Protégés received administrative support, project management and marketing services from Light Frame Construction and Big Mouth Productions
- ▶ Nearly ninety percent (90%) of the clients are African American, of which sixty percent (60%) are low moderate income and twenty percent (20%) are extremely low-income. All of our clients either live or operate their businesses in District-10.
- ▶ During Q1 protégés secured \$360K in new contracts

# PHASE 2 - CONTRACTOR ASSISTANCE PROGRAM

**Obligation: \$2.5 million (\$250,000 per year for up to 10years) for implementation of programs to support contractors:**

- ▶ **Master Developer has spent \$1,242,009 in contractor assistance since 2014 \***
- ▶ **Master Developer made \$250k contribution towards Surety Bond and Credit Support Program**
- ▶ **Any shortfall at the end of the 10 year term will be paid to the Community Benefits Fund, or Developer will continue the CAP program beyond the term**

**\* 2014 marks the agreed upon start of Phase 2. However, there have been \$1,358,946 in expenditures for contractor support since project inception thru Q1 2017**

# Community Builders Program

## Phase 1 Community Builders

| Block     | Community Builder              | Units |
|-----------|--------------------------------|-------|
| 1         | Tabernacle                     | 224*  |
| 48 - A    | SFHDC                          | 16    |
| 48 – F& J | Shiloh Full Gospel Church      | 80    |
| 48 - K    | The Baines Group/ BHPMPSS      | 26    |
| 48 - O    | Eagle Environmental Consulting | 11    |
| 49        | AMCAL/YCD                      | 50    |
| 52        | Al Norman/ Derek Smith         | 77    |
| 53        | MDC/C. Churchwell LLC          | 93    |
| 54        | BAMEC Inc.                     | 66    |

Phase 2 Update: Master Developer incompliance.  
 No market-rate blocks have been assigned for  
 Community Builders in the 1<sup>st</sup> Major Phase of Candlestick.  
 Obligation will be fulfilled in future Major Phases

## Phase 2: OCII Community Builders



Alice Griffith Phase 1  
Block 2 93 units  
SF Housing Development  
Corp.



Alice Griffith Phase 2  
Block 4 91 units  
Tabernacle Development  
Corp.



Alice Corp. Griffith Phase 3  
Block 1 122 units  
SF Housing Development

Phase 2 Update: Master Developer incompliance.

No market-rate blocks have been assigned for

Community Builders in the 1<sup>st</sup> Major Phase of Candlestick.

Obligation will be fulfilled in future Major Phases

Move-ins are scheduled for May/June 2017 for Phase 1 & 2 late May/June 2017

# INTERNATIONAL AFRICAN MARKETPLACE

- ▶ **Phase 1 & Phase 2 Program:** The overall purpose of the IAM is to serve as an economic development engine for BVHP by:
- ▶ Housing activities of cultural diversity representing the African Diaspora and its cultural influences worldwide.
- ▶ Serving as an event location for commercial and retail business outlets as well as a business development center for BVHP vendors and artists who need business development guidance.

**Phase 1 Update:** Master Developer in compliance. Interim IAM events were held annually from 2006 through 2009.

- ▶ Money returned and being held for planning of permanent IAM programing \$83,676

**Phase 2 Update:** Master Developer in compliance. Two locations have been selected for the permanent IAM

- ▶ Outdoor: Northside Park (HPS)
- ▶ Indoor: Candlestick South Retail (CP) using "Community Facility Space"

# COMMUNITY FACILITIES SPACE

- ▶ **Phase 2 Program:** Master Developer in compliance. Master Developer will make 65k sq. ft. of retail space in the Project available for Community Serving Uses including:
  - ▶ Permanent International African Marketplace
  - ▶ Library Reading Rooms
  - ▶ Candlestick Point State Recreation Area Welcome Center
- ▶ Master Developer to provide 35k sq. ft. in next phase of development at Candlestick. Remaining 30k sq. ft. will be provided in a future Major Phase at the Shipyard.

# COMMUNITY FACILITIES LOTS

**Phase 1 & 2 Program:** Master Developer will provide OCII 8 acres of developable lots for community facilities.

- ▶ Phase 1: 1.2 acres
- ▶ Phase 2: 6.8 acres

**Update:** Master Developer in compliance. OCII is facilitating discussions with SFUSD, SFPD, SFFD, SF Public Library and other service providers to determine future needs.

# ADDITIONAL COMMUNITY FACILITIES

Phase 2 Program: Master Developer will provide:

- ▶ Replacement Artists' Studios (Vertical construction estimated to begin Q2 2017 w/completion estimated in Q1 2019 )
- ▶ Art Center Parcel
- ▶ Replacement Commercial Kitchen (near completion)
- ▶ Fire Station Lot

# JOB TRAINING AND EMPLOYEE ASSISTANCE PROGRAM

From inception, Master Developer has spent approximately \$2,000,000 on Job Training programs and activities through Q1 2017.

YCD Job Training Grant being increased to \$175k.

- ▶ During this reporting period, program participants were indentured into Local Unions 261, 67 and 22

## Third Street Youth Clinic

- ▶ Program participants are largely African American and Latina girls from 94124, 94134, and 94132.
- ▶ Students have received Mental Health First Aid certification, are learning Violence Prevention strategies, and learning more about various career pathways.

## Barrier Removal

- ▶ While not obligated, the barrier removal funding has become an important part of program delivery in D10. During Q1, barrier removal funds provided support for union dues/initiation fees, driver license reinstatement, commercial license permit fees, phlebotomy technician training, and clipper cards.

# Job Training and Employee Assistance Program - continued

- ▶ Master Developer is developing a plan to accelerate Job Training expenditures to achieve compliance by 2018.
  - A) Health
  - B) Environmental training
  - C) Gardening landscaping
- ▶ Programs will have a D10 focus, and generally 2year contract to respond to requirement to provide a reasonable measure of sustained funding.
- ▶ Programs are responding to broader workforce and economic trends per DDA

# SMALL BUSINESS ASSISTANCE PROGRAM

- ▶ **Master Developer, through Contractor's Assistance Program currently publishes a directory of local suppliers. This document has not been shared with Professional Services consultants not using suppliers. Master Developer has since launched a suppliers website available to all contractors.**
- ▶ **Master Developer has revised its consultant and contractor contracts, adding language to make more explicit the requirement that contractors using supplies make 20% of their project related purchases from BVHP Area Small Businesses. The updated contracts are now being used by Land Development and will systematically implemented by other depts.**
- ▶ Master Developer has begun to hold networking quarterly to which suppliers are invited. Orientation was March 23<sup>rd</sup>, and....

# BUSINESS INCUBATOR SPACE

**Phase 1 Program:** Facilitate the growth and development of a variety of businesses at the Shipyard through space provided at cost.

- ▶ **Phase 1 Update:** Master Developer in compliance. Master Developer to provide space in the Phase 2 project.

**Phase 2 Program:** Master Developer and OCII will work together develop a portion of Building 813, an approximately 260k sq. ft. building, for the use as a center for the incubation of emerging businesses and technologies.

- ▶ **Phase 2 Update:** Master Developer in compliance. OCII acquired Building 813 from the Navy in September 2016.

# CULTURAL/HISTORIC RECOGNITION PROGRAM

**Phase 1 Program:** Integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art.

**Phase 1 Update:** Developer is compliance. OCII received federal grant funding to implement the Phase 1 program

- ▶ Commission and installation of 9 commissioned artworks by OCII (complete)
- ▶ Installation of 500 square feet of youth tiles by Developer (complete)

# HOMEBUYER ASSISTANCE PROGRAM

**Phase 1 Program:** Provide assistance to qualified home buyers, including:

- ▶ Down Payment Assistance
- ▶ First Time Buyer Financing Program
- ▶ Homeownership Counseling

**Phase 1 Update:** Obligation passed to Vertical Developers through VDDAs.

- ▶ The Down Payment Assistance and First Time Buyer Financing Programs have been working with lenders to provide financing
- ▶ Between 2005-2016, there were 64 first time homebuyer informational workshops with a total of 1300 attendees
- ▶ There were the workshops in Q1, for a total of 31 attendees.

# COMMUNITY REAL ESTATE BROKER PROGRAM

- ▶ **Phase 2 Program:** Master Developer is required to hold specific marketing events for Community Brokers and provide Community Brokers with the opportunity to preview and show Phase 2 units ahead of other brokers.
- ▶ **Phase 2 Update:** Master Developer in compliance. No units are for sale in Phase 2. However, Master Developer has voluntarily extended this program to Phase 1. Developer provides Community Brokers representing buyers with an additional 1% commission as incentive.

# OUTREACH PROGRAM

- ▶ Master Developer has spent \$1,035,000 on outreach activities, including events (many of which are provided by the contractor liaison per the Construction Assistance Program).
- ▶ During Q1 2017 there were approx. 18 CAC meetings – both Subcommittee and Full committee, where parts of the project were presented and discussed.
- ▶ Master Developer in the process of getting into compliance on translations so that all Phase 1 communications will include Samoa. Master Developer is now translating construction start and other special notifications that are broadly distributed into Spanish, Chinese, and Samoan for both Phase 1 (required), and Phase 2 (not required).
- ▶ Master Developer relaunched the [www.hunterpointcommunity.com](http://www.hunterpointcommunity.com) website where construction updates, reports by the Project's Environmental Manager, and outreach events related to specific projects are provided.

# COMMUNITY BENEFIT FUND

**Program Generally:** Community Benefits Fund to be reinvested by OCII in the BVHP Community to:

- ▶ Benefit low- and moderate income families;
- ▶ Eliminate blight; and/or
- ▶ Meet other community development needs of BVHP as determined by the Legacy Foundation, including those related to social services, affordable housing, education, the arts, public safety, assistance for senior citizens and other community services.

**Phase 1 Program:** Master Developer contributed \$1million to a Community Benefit Fund.

- ▶ Legacy Foundation – Strategic Plan approved by OCII commission on Feb. 7, 2017.

**Phase 2 Program:** Master Developer to contribute 0.5% of the first sale price of each market-rate housing unit

- ▶ No market rate homes have sold on Phase 2

# EDUCATION FUND

## Phase 2 Program:

- ▶ Used to support education enhancements within BVHP, which may include new facilities or upgrades to existing education resources and health and wellness education in schools
- ▶ \$500K paid to date

# HEALTH & WELLNESS FUND

## Phase 2 Program:

- ▶ The Wellness Contribution is to be used for the expansion of the Southeast Health Center or, in the event that funds are not needed for the Southeast Health Center, for the creation or expansion of the Center for Youth Wellness.
- ▶ \$250k paid to date for Southeast Health Center
- ▶ \$100K paid for Community Health & Wellness fund to date

# SCHOLARSHIP FUND

## Phase 2 Program:

- ▶ Used to assist youth and adults up to age 30 with cost of tuition and/or educational material in pursuit of a higher educational program
- ▶ \$5,000 of the Scholarship Fund are to be set aside annually for the “Will Bass Memorial Educational Travel Scholarship”
- ▶ Awarded to an African American student (18 to 25 years old) from BVHP for education travel to Africa or Asia.
- ▶ \$500k paid to date

# Implementation Committee Expenditures

## Phase 2 – CCBA – Not under OCII jurisdiction

| GRANTEE                                                                       | AMOUNT    | PURPOSE                                                                                                           |
|-------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------|
| JANANESE COMMUNITY YOUTH COUNCIL -6/23/2011<br>(Workforce Development Fund)   | \$140,000 | To provide paid summer work experience to 60-75 underemployed D10 youth                                           |
| YOUNG COMMUNITY DEVELOPERS - 6/28/2011<br>(Workforce Development Fund)        | \$85,000  | To conduct a summer youth employment program providing academic enrichment and job readiness skills to D10 youth. |
| HUNTERS POINT FAMILY (GIRLS 2000) – 7/28/2011<br>(Workforce Development Fund) | \$70,000  | To provide paid summer work experience to 70 underemployed D10 youth.                                             |

# IMPLEMENTATION COMMITTEE EXPENDITURES- CONTINUED

| GRANTEE                                                                                        | AMOUNT    | PURPOSE                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YOUNG COMMUNITY DEVELOPERS -<br>12/1/2012<br>(Workforce Development Fund)                      | \$182,000 | To provide academic tutorial, enrichment and job and life skills training for 70 San Francisco District 10, 9th and 10 grade students at Phillip and Sala Burton and Thurgood Marshall High Schools. |
| COMMUNITY CONNECT GRANTS<br>(2012 LISTENING SESSIONS) 8/2/2012<br>(Workforce Development Fund) | \$140,000 | To recruit 18 District 10 CBOs to organize and host listening sessions with D10 residents to inform the IC's workforce and housing grant making strategies.                                          |

# IMPLEMENTATION COMMITTEE EXPENDITURES – CONTINUED

| GRANTEE                                                                                                                         | AMOUNT    | PURPOSE                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SAN FRANCISCO HOUSING<br>DEVELOPMENT CORPORATION<br>1/16/2014<br>(Workforce Development Fund &<br>Community First Housing Fund) | \$610,000 | To provide financial empowerment<br>services to expand the financial<br>capability of 100 low and moderate<br>income households in D10.                                                                          |
| NOR-CAL FDC - 11/13/2014<br>(Workforce Development Fund)                                                                        | \$250,000 | To create a revolving loan fund to<br>assist owners of 10 D10-based<br>licensed small construction<br>companies acquire short-term, low<br>interest rate financing and<br>construction management<br>assistance. |

# IMPLEMENTATION COMMITTEE

## EXPENDITURES- CONTINUED

| GRANTEE                                                                                                              | AMOUNT      | PURPOSE                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SAN FRANCISCO HOUSING<br>DEVELOPMENT CORPORATION<br>10/01/2015<br>(Community First Housing Fund)                     | \$238,000   | To provide services to D10 renters to help slow the displacement of Black and Pacific Islander families from D10.                                                                                                                                                                                                                                             |
| BAYVIEW HUNTERS POINT<br>MULTIPURPOSE SENIOR SERVICES,<br>INC.<br>12/01/2015<br>(Community First Housing Fund)       | \$1,600,000 | To Purchase and Hold the property located at 1676 Newcomb Avenue, San Francisco, CA 94124 on behalf of the Bayview Hunters Point Naval Shipyard CCBA Implementation Committee.                                                                                                                                                                                |
| Proposed Workforce Development<br>& Training Grant – Career Ladders &<br>Advancement<br>(Workforce Development Fund) | \$455K      | Three sectors:<br><b>Hospitality</b> -union wages, focus on move up, recruitment in D10 (\$165K)<br><b>Healthcare</b> – partnership with Kaiser, focus on move up, focus on current employees who live in D10 and eligible for move up with training (\$130)<br><b>Maritime</b> – Merchant Seaman – new opportunity for San Francisco, let alone D10 (\$160K) |

# IMPLEMENTATION COMMITTEE

## EXPENDITURES- CONTINUED

|       |                  |                                                                                                                                                                                                                   |
|-------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SFHDC | \$500k - pending | To participate in the purchase of 5030 3 <sup>rd</sup> St. (Hongisto Bldg.) – Program includes maintenance of affordable housing on top and a 2 <sup>nd</sup> location for Craftsman & Wolves in commercial space |
|-------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# STATUS REPORT

**Phase 1 Program:** Master Developer is required to provide a quarterly written status report to OCII and the CAC.

**Phase 1 Update:** This Community Benefits Report is through Q1 2017

# THANK YOU

La Shon A. Walker  
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office of  
COMMUNITY INVESTMENT  
and INFRASTRUCTURE

450-2422017-014

July 10, 2017

HPS Development Co., LP  
CP Development Co., LP  
One Sansome Street, Suite 3200  
San Francisco, CA 94104  
Attention: Kofi Bonner

**Re:** 2017 Quarter 1 Community Benefits Report for the Hunters Point Shipyard Phase 1 and Candlestick Point/Hunters Point Shipyard Phase 2 Disposition and Development Agreements

Dear Kofi,

The Office of Community Investment and Infrastructure ("OCII") received the 2017 Quarter 1 Community Benefits Status Report on June 2, 2017 ("2017 Q1 Report") from HPS Development Co., LP and CP Development Co., LP (together, "Developer").

As you are aware, OCII oversees the implementation of development at Candlestick Point and Phases 1 and 2 of the Hunters Point Shipyard (together, the "Project"). OCII's oversight includes reviewing the Developer's performance of the community benefits contained in the Hunters Point Shipyard Phase 1 Community Benefits Agreement ("Phase 1 CBA") and the Candlestick Point and Hunters Point Shipyard Phase 2 Community Benefits Plan ("Phase 2 CBA", an exhibit to the Disposition and Development Agreement).

The Project's community benefits are intended to ensure that the Bayview Hunters Point ("BVHP") community has the opportunity to participate in, and benefit from, the Project.

#### **Summary of OCII Review**

OCII staff conducted an assessment of the 2017 Q1 Report to identify areas of compliance or partial compliance. The Developer remains in substantial compliance with its obligations under both the Phase 1 and Phase 2 CBAs. However, there are some areas that require Developer action to bring them into full compliance.

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OCII staff has identified two areas, which the Developer should focus on implementing improvements:

### **Developer Actions Required for Full Compliance**

#### **1) Community Builder Program**

##### Requirement

Under the Phase 1 CBA 30% of private housing development lots must be offered for development in partnership with Community Builders.

##### Status

Three Community Builder agreements have been executed to date. The Developer is working to finalize the remaining agreements. Staff has requested additional information from the Developer regarding the qualification of all selected and assigned Community Builders. Phase 1 Community Builders were qualified through a competitive process in 2004 and 2005. OCII has no record of Al Norman Development being qualified as a Phase 1 Community Builder under the process set forth in the Phase 1 Disposition and Development Agreement.

##### Next Steps

- Developer will provide OCII any documentation regarding the qualification and selection of Al Norman Development as a Community Builder on Block 52 – including copies of the Fee Developer Agreements for Al Norman Development and Marinship regarding the eligibility and qualifications of each community builder by the end of the third quarter for 2017.

#### **2) Job Training and Employee Assistance Program**

##### Requirement

Under the Phase 1 CBA, the Developer must contribute \$225,000 per year to fund community based organizations ("CBOs") that provide job training services.

##### Status

In 2015, OCII found that the Developer was not in compliance with this requirement and identified a \$410,000 shortfall; the total prior years' shortfall as of the date of this letter. In 2015, the Phase 1 Developer committed to accelerating payments through 2018 to address the shortfall.

In 2016, the Phase 1 Developer spent approximately \$149,000 of the \$225,000 annual obligation. No funds have been expended to address the prior years' shortfall, bringing the total shortfall, including previous years, to approximately \$485,000. In 2016, the Developer submitted a plan to OCII to accelerate \$460,000 in spending over the next 2 years; however, the Developer only reported an expenditure of \$12,000 in Quarter 1.

|              | Prior Years | 2017 (Q1) | Cumulative  |
|--------------|-------------|-----------|-------------|
| Expenditures | \$1,989,000 | \$12,000  | \$2,001,000 |
| Shortfall    | \$485,000   |           | \$485,000   |

Next Steps.

- Developer will provide OCII with documentation for the selection of CBOs in accordance with the competitive process outlined in the Phase 1 CBA.
- Developer's 2017 Quarter 2 Report will provide additional details on the acceleration of payments to address the \$485,000 prior years' shortfall including information on the schedule for issuance of RFPs for BVHP area job training organizations and which training areas are being targeted.
- Developer's staff will continue to meet with OCII staff in good faith to provide regular updates on addressing the shortfall.

A full accounting for each of the Developer's obligations is attached hereto. I look forward to addressing these outstanding issues. If you have any questions regarding these findings, please contact Kasheica McKinney at [kasheica.mckinney@sfgov.org](mailto:kasheica.mckinney@sfgov.org) or (415) 749-2422.

Sincerely,



Nadia Sesay  
Interim Executive Director

Enclosures: 2017 First Quarter Community Benefits Agreement OCII Compliance Analysis

cc: Sally Oerth, Tamsen Drew, Kasheica McKinney (OCII)  
La Shon Walker, Ivy Greaner, Suheil Totah (FivePoint)  
Ryan Hauk (Lennar)

## OCII Community Benefits Agreement Compliance Analysis

Q1 2017

| Section     | Description                                                                                                                                            | Compliance Status | Complete/In Progress | Compliance Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                   | OCII Comments | OCII Q4       | OCII Q1       |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Phase 1 § 3 | <b>Construction Assistance Program "CAP"</b><br>Opportunities for BVHP Area Contractors as described in more detail below:                             | See below         | In Progress          |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |               |               |
|             | a) Owner Consolidated Insurance Program                                                                                                                | In Compliance     | In Progress          | Master Developer maintains insurance program and established GL limits on a project-by-project basis.                                                                                                                                                                                                                                                                                                                                                 | —             | In Compliance | In Compliance |
|             | b) Surety Bond Program                                                                                                                                 | In Compliance     | In Progress          | Master Developer has waived the surety bond requirement for BVHP area subcontractors, including payment and performance bonds.                                                                                                                                                                                                                                                                                                                        | —             | In Compliance | In Compliance |
|             | c) Technical Assistance Program                                                                                                                        | In Compliance     | In Progress          | Master Developer has hired Butler Enterprises to administer the Phase 1 and Phase 2 CAP program.                                                                                                                                                                                                                                                                                                                                                      | —             | In Compliance | In Compliance |
|             | d) Financial Assistance Program                                                                                                                        | In Compliance     | In Progress          | Master Developer has hired Butler Enterprises to provide assistance with securing financing and with accessing the "Mobilization Loan Program".                                                                                                                                                                                                                                                                                                       | —             | In Compliance | In Compliance |
|             | e) Mentorship Program                                                                                                                                  | In Compliance     | In Progress          | The Mentorship Protégé program has been administered by the Renaissance Entrepreneurship Center since 2010. Since Renaissance Entrepreneurship Center has taken over the program, protégés have been able to secure in contracts with a total value of more than \$45,000,000, and have employed more than 180 people, the majority of whom are D10 residents. Program participants secured \$360k in new contracts during the first quarter of 2017. | —             | In Compliance | In Compliance |
|             | <b>Construction Assistance Program</b><br>a) \$2.5 million (\$250,000/year for up to 10 years) for implementation of programs described below in c)-e) | In Compliance     | In Progress          | Master Developer expended \$132,970 during the first quarter of 2017.                                                                                                                                                                                                                                                                                                                                                                                 | —             | In Compliance | In Compliance |

| Section         | Description                                                                                                                                                                                                              | Compliance Status | Complete/In Progress                                        | Compliance Analysis                                                                                                                                                                                                                                                                                                                     | OCII Comments             | OCII Q4            | OCII Q1            |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|--------------------|
| Phase 2 § 5.2   | b) Insurance and Credit Support (\$1 million for OCII surety bond and credit support program)                                                                                                                            | In Compliance     | In Progress                                                 | Master Developer has made the first \$250,000 payment in accordance with the project schedule.                                                                                                                                                                                                                                          | -                         | In Compliance      | In Compliance      |
|                 | c) Technical Assistance Program (on-site contractor liaison)                                                                                                                                                             | In Compliance     | In Progress                                                 | Butler Enterprises has administered the Phase 2 CAP program since August 2013.                                                                                                                                                                                                                                                          | -                         | In Compliance      | In Compliance      |
|                 | d) Contractor Workshops                                                                                                                                                                                                  | In Compliance     | In Progress                                                 | Part 1 of the Contractor's Estimating Series was held in March 2017. Butler Enterprises scheduled a Supplier Meet & Greet Workshop for April 2017.                                                                                                                                                                                      |                           | In Compliance      | In Compliance      |
|                 | e) Trucking Program                                                                                                                                                                                                      | In Compliance     | In Progress                                                 | Butler Enterprises administers the Trucking Program as part of the CAP.                                                                                                                                                                                                                                                                 | -                         | In Compliance      | In Compliance      |
| Phase 1 § 4     | <b>Community Builder Program</b><br>30% of private housing developments lots to be offered for development in partnership with Community Builders                                                                        | Pending Review    | In Progress                                                 | Additional information requested regarding the qualifications of Community Builders.                                                                                                                                                                                                                                                    | No documentation provided | Partial Compliance | Partial Compliance |
| Phase 2 § 5.1   | <b>Community Builder Program</b><br>Master Developer will make available 500 units for development by Community Builders in Phase 2                                                                                      | In Compliance     | Anticipated to commence in next Major Phase of development. | No Phase 2 Community Builder lots have been assigned for the initial Candlestick Point Major Phase. Obligation will be fulfilled in future Major Phases on Candlestick and/or the Hunters Point Shipyard. OCII has engaged community partners on Phases 1-3 of Alice Griffith, totaling 306 units.                                      | -                         | In Compliance      | In Compliance      |
| Phase 1 § 5     | <b>Interim African Marketplace</b><br>Master Developer must establish an Interim African Marketplace until the permanent site is completed                                                                               | In Compliance     | In Progress                                                 | Master Developer organized events in 2006 and 2007 and has subsequently provided a \$180,000 cash contribution to OCII to continue work in fulfillment of the IAM program. OCII organized events in 2008 and 2009. The remaining \$80,000 balance has been returned to Master Developer, who is working with CAC to plan future events. | -                         | In Compliance      | In Compliance      |
| Phase 2 § 3.2 - | <b>Community Facilities Space</b><br>Master Developer shall make available to OCII 7.5% of the aggregate retail space in the project (not to exceed 65,000 sf) for community serving uses                                | In Compliance     | In Progress                                                 | Master Developer to provide 35,000 square feet of retail space in Candlestick, approved by OCII in Sub-Phase approval for CP 02, 03, and 04. The remaining 30k square feet will be provided in a future Major Phase at the Shipyard.                                                                                                    | -                         | In Compliance      | In Compliance      |
| Phase 2 § 3.2 - | <b>Community Facilities Space for International African Marketplace (IAM)</b><br>(i) A portion of the Community Facilities Space within retail Vertical Projects on the Candlestick Site shall be used for an indoor IAM | In Compliance     | In Progress                                                 | The planned location for the permanent outdoor IAM is in Northside Park. The indoor IAM is proposed to be located on Block CP South 8a (5,000 square feet of ground floor space). The schematic design for Block 8a was approved by the OCII commission in May 2017.                                                                    | -                         | In Compliance      | In Compliance      |

| Section         | Description                                                                                                                                                                                                                                                                                                     | Compliance Status | Complete/In Progress | Compliance Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | OCII Comments                                                                                  | OCII Q4       | OCII Q1       |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------|---------------|
| Phase 2 § 3.2 - | <u>Community Facilities Space for other uses</u><br>(ii) a portion of the Community Facilities Spaces will be used for San Francisco Public Library Facilities<br>(iii) 3,000 sf will be used for an information center for the CP State Recreation Area                                                        | In Compliance     | In Progress          | The CP State Recreation Area will be provided in space developed in Sub-Phase CP-17.<br><br>OCII staff to continue working with the San Francisco Public Library to identify needs in Candlestick.                                                                                                                                                                                                                                                                                                                | -                                                                                              | In Compliance | In Compliance |
| Phase 1 § 7     | <u>Cultural Historic Recognition Program</u><br>Master Developer is obligated to:<br>a) create a public art program that provides opportunities for local artists;<br>b) install 500 sf of youth tiles;<br>c) create historic walkway; and<br>d) engage and maintain a fundraising consultant to secure funding | In Compliance     | In Progress          | OCII has implemented the Shipyard Public Art program with federal funding; Master Developer has installed initial youth tiles and will complete tile installation of remaining youth tiles as park construction progresses; historic walkway to be located along the Coleman Promenade.                                                                                                                                                                                                                           | -                                                                                              | In Compliance | In Compliance |
| Phase 1 § 7     | <u>Business Incubator Space Program</u><br>Master Developer is obligated to provide Business Incubator Space within the Shipyard. The space will be provided to OCII at cost (without profit) for operation of a business incubator program.                                                                    | In Compliance     | In Progress          | Phase 1 Program: Facilitate the growth and development of a variety of businesses at the Shipyard through space provided at cost.<br>> Phase 1 Update: Master Developer to provide space in the Phase 2 project.<br>> Phase 2 Program: Master Developer and OCII will work together develop Building 813, an approximately 260k sq. ft. building, for the use as a center for the incubation of emerging businesses and technologies.<br>> Phase 2 Update: OCII acquired Building 813 from the Navy in September. | -                                                                                              | In Compliance | In Compliance |
| Phase 1 § 8     | <u>Home Buyer Assistance Program</u><br>Master Developer is required to develop a program to provide assistance to qualified Phase 1 home buyers, including:<br>a) Down Payment Assistance,<br>b) First Time Buyer Financing Program,<br>c) Homeownership Counseling                                            | In Compliance     | In Progress          | The Down Payment Assistance and First Time Buyer Financing Programs are set forth in the Vertical DDAs. Master Developer and Vertical Developers have been working with lenders to provide financing options including K&L community mortgage program.                                                                                                                                                                                                                                                            | A total of 31 people attended homebuyer workshops held in Q1. Three workshops were held in Q1. | In Compliance | In Compliance |

| Section      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Compliance Status  | Complete/In Progress | Compliance Analysis                                                                                                                                                                                                                                                                                                                                                                                                                   | OCII Comments                                                                                                                                                                                                                                                                                                                                                                          | OCII Q4            | OCII Q1            |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Phase 1 § 9  | <b>Job Training and Employee Assistance Program</b><br>Master Developer must contribute \$225,000 per year to fund community based organization that provide suitable job training services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Partial Compliance | In Progress          | Total funding obligation to date (2005-2017) is \$ 2,700,000. To date, Master Developer has provided a total of approximately \$ 2,000,000. Master Developer has presented and continues to refine a plan to accelerate Job Training expenditures to achieve compliance.                                                                                                                                                              | Master Developer's job training expenditure total for the first quarter of 2017 was \$12,000. Developer is working to increase existing job training grant with YCD, and to issue a grant for environmental, health, and gardening and landscape focused programs. Additional details for accelerating spending for job training should will be provided in the next quarterly update. | Partial Compliance | Partial Compliance |
| Phase 1 § 10 | <b>Local Community Priority Leasing Program</b><br>Master Developer must encourage local businesses to lease available retail spaces within Phase 1 by actively notifying local businesses of upcoming leasing opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | In Compliance      | Not Applicable       | To date no retail space has been developed in Phase 1.                                                                                                                                                                                                                                                                                                                                                                                | -                                                                                                                                                                                                                                                                                                                                                                                      | In Compliance      | In Compliance      |
| Phase 1 § 11 | <b>Small Business Assistance Program</b><br>Master Developer is required to identify opportunities to assist small businesses in BVHP with obtaining contracts by:<br>a) creating and bi-annually updating a directory of local small businesses,<br>b) requiring its contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all of their Shipyard Project related purchases from BVHP Area Small Businesses. Contractors and consultants are required to provide monthly progress reports on the dollars spent with BVHP Area Small Businesses. Lennar is required to include language in their contracts with consultants and contractors regarding this obligation.<br>c) host quarterly networking workshops for BHVP Area Small Businesses | In Compliance      | In Progress          | A) Master Developer currently publishes a directory of local suppliers with contractors through the CAP program, but was not shared with Professional Services consultants not using suppliers. Master Developer has launched a suppliers website available to all contractors.<br><br>B) Master Developer has hired Butler Enterprises to host quarterly networking events for suppliers. A networking event was held in March 2017. | Master Developer now includes explicit language in their land development contracts regarding making 20% of their project related purchases from BVHP Area Small Businesses.                                                                                                                                                                                                           | In Compliance      | In Compliance      |
| Phase 1 § 12 | <b>Outreach Program</b><br>Master Developer is required to disseminate project information, in addition to program specific information, via website, quarterly newsletters, special mailings and similar outreach activities. Master Developer is also required to translate communications into Chinese, Spanish and Samoan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Partial Compliance | In Progress          | Master Developer is required to disseminate project information and provide compliance in context of CBA Exhibit L - , in addition to program specific information, via website, quarterly newsletters, special mailings and similar outreach activities. Master Developer is also required to translate communications into Chinese, Spanish and Samoan.                                                                             | Master Developer is currently in the process of providing translation of all Phase 1 documents in Samoan (in addition to the English, Spanish, and Chinese being provided). Master Developer has relaunched the Shipyard specific website to provide information about resources , construction updates, and outreach events related to specific projects.                             | In Compliance      | In Compliance      |

| Section       | Description                                                                                                                                                                                                                                      | Compliance Status  | Complete/In Progress | Compliance Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                | OCII Comments | OCII Q4       | OCII Q1       |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Phase 1 § 13  | <b>Status Reports</b><br>Master Developer is required to provide a quarterly written status report to OCII and CAC. Additionally, Master Developer is required to make a Status Report presentation to CAC.                                      | Partial Compliance | In Progress          | Q1 2017 has not been presented to the CAC.                                                                                                                                                                                                                                                                                                                                                                                                                         | —             | In Compliance | In Compliance |
| Phase 2 § 5.3 | <b>Community Real Estate Broker Program</b><br>Master Developer is required to hold specific marketing events for Community Brokers and provide Community Brokers with the opportunity to preview and show Phase 2 units ahead of other brokers. | In Compliance      | In Progress          | No Phase 2 units are available to date, however, Master Developer has voluntarily expanded the program to Phase 1. Master Developer also provides additional 1% incentive fee to Community Brokers.                                                                                                                                                                                                                                                                | —             | In Compliance | In Compliance |
| Phase 1 § 12  | <b>Community Facilities Parcel</b><br>Master Developer is required to provide a 1.2 acre developable lot for community uses. (The remaining 4.8 acres will be provided in Phase 2)                                                               | In Compliance      | In Progress          | A 1.2 acre lot has been assigned as Phase 1 Community Facilities Parcel. Master Developer will provide the parcel to OCII as developable lot.                                                                                                                                                                                                                                                                                                                      | —             | In Compliance | In Compliance |
| Phase 2 § 3.3 | <b>Community Facilities Lots</b><br>Master Developer is required to provide a total of 4.8 acres of developable lots for community facilities.                                                                                                   | In Compliance      | In Progress          | Phase 2 Community Facilities Lots have been preliminary identified, subject to revision in accordance with the Phase 2 DDA. A planning process to determine use of Community Facilities Lots is underway; OCII is facilitating discussions with San Francisco Unified School District, San Francisco Police Department, San Francisco Fire Department, San Francisco Public Library, and other service providers to determine future service needs to the Project. | —             | In Compliance | In Compliance |
| Phase 1 § 12  | <b>Additional Community Facilities</b><br>The Phase 2 CBA provides for additional Community Facilities as listed below:                                                                                                                          | See below          | In Progress          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |               |               |               |
|               | a) Arts and Cultural Facilities                                                                                                                                                                                                                  | In Compliance      | In Progress          | Master Developer will construct Replacement Artist Studios of approximately 90,000 square feet and Replacement Commercial Kitchen of approximately 10,000 square feet, and completing Infrastructure for Building 101. A parcel for a future Arts Center has been assigned.                                                                                                                                                                                        | —             | In Compliance | In Compliance |
|               | b) Parks and Open Space Facilities                                                                                                                                                                                                               | In Compliance      | In Progress          | Master Developer will construct a variety of passive and active public open spaces in accordance with the Parks and Open Space Plan.                                                                                                                                                                                                                                                                                                                               | —             | In Compliance | In Compliance |

| Section                 | Description                                                                                                                                                                                          | Compliance Status | Complete/In Progress | Compliance Analysis                                                                                                                                                                                                                                                                                                                                              | OCII Comments | OCII Q4       | OCII Q1       |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
|                         | c) Emerging Business Incubator (Building 813)                                                                                                                                                        | In Compliance     | In Progress          | Master Development plans for Building 813 to be determined with first major phase of development at HP Phase 2.                                                                                                                                                                                                                                                  | -             | In Compliance | In Compliance |
|                         | d) Fire Station Lot                                                                                                                                                                                  | In Compliance     | In Progress          | The location of the fire station lot has been determined. Master Developer will provide infrastructure in concurrence with the sub-phase.                                                                                                                                                                                                                        | -             | In Compliance | In Compliance |
| Phase 2 § 1.1           | <b>Scholarship Program</b><br>Master Developer must contribute \$3.5 million. Contribution are to be made in accordance with specified Project Milestones                                            | In Compliance     | In Progress          | Master Developer has made first \$500,000 payment in accordance with the Phase 2 DDA. The Legacy Foundation has developed an OCII approved Five-Year Strategic Plan to implement programs for the use of these funds.                                                                                                                                            | -             | In Compliance | In Compliance |
| Phase 2 § 1.2           | <b>Education Improvement Fund</b><br>Developer must contribute \$10 million in several installments in accordance with specified Project Milestones                                                  | In Compliance     | In Progress          | Master Developer has made first \$500,000 payment in accordance with the Phase 2 DDA. The funds are being held by OCII. Use of funds will be determined through a community process including representatives of the San Francisco Unified School District, Bayview Hunters Point, the Mayor's Office of Economic and Workforce Development, OCII and Developer. | -             | In Compliance | In Compliance |
| Phase 2 § 2.1           | <b>Wellness Contribution</b><br>Master Developer must contribute \$2 million for the expansion of the Southeast Health Center. Contributions are due in accordance with specified Project Milestones | In Compliance     | In Progress          | Master Developer has made first \$100,000 payment in accordance with the Phase 2 DDA. The funds have been transferred to the Department of Public Health.                                                                                                                                                                                                        | -             | In Compliance | In Compliance |
| Phase 2 § 2.1           | <b>Southeast Health Center</b><br>Master Developer must contribute \$250,000 for predevelopment expenses associated with the expansion of the Southeast Health Center.                               | In Compliance     | In Progress          | Master Developer has made \$250,000 payment in accordance with the Phase 2 DDA. The funds have been transferred to the Department of Public Health.                                                                                                                                                                                                              | -             | In Compliance | In Compliance |
| Phase 1 - 5th Amendment | <b>Community Benefits Fund</b><br>Master Developer must contribute \$1 million to the Community Benefits Fund                                                                                        | In Compliance     | In Progress          | Master Developer has contributed \$1 million to Community Benefits Fund in accordance with the Phase 1 DDA (\$500,000 in June 2012 and \$500,000 in June 2013). The Legacy Foundation has developed an OCII approved Five-Year Strategic Plan to implement programs for the use of these funds.                                                                  | -             | In Compliance | In Compliance |
| Phase 2 § 2.1           | <b>Community Benefits Fund</b><br>Master Developer must contribute to the Community Benefits Fund 0.5% of the sales price of each Phase 2 market rate unit.                                          | In Compliance     | In Progress          | Initial home closings for Phase 2, and associated payments to the Community Benefits Fund, are currently anticipated in late 2020, with continued payments to the CBF anticipated thereafter.                                                                                                                                                                    | -             | In Compliance | In Compliance |