



450-0072018-002

Agenda Item **No. 8(a)**
Meeting of February 20, 2018

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Report on compliance by the Master Developer on Candlestick Point and Phase 1 and 2 of the Hunters Point Shipyard, with the Community Benefits Programs for July through September of 2017; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

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 3 Community Benefits Report (Attachment 1) demonstrating their efforts to comply with commitments contained in the Hunters Point Shipyard Phase 1 and Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreements ("DDAs") for the period of July through September 2017. Both the Phase 1 and Phase 2 DDAs contain robust Community Benefit commitments to be fulfilled by the Master Developer.

Mark Farrell
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marilyn Mondejar
CHAIR

Miguel Bustos
Mara Rosales
Darshan Singh
COMMISSIONERS

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

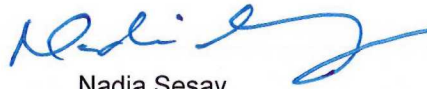
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quarterly community update will occur in March 2018 and cover the period from October 2017 through December 2017. At the Commission's request, OCII staff will provide the Master Developer's Community Benefit Program updates to the Commission with staff's 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
Executive Director

Attachment 1: 2017 Quarter 3 Master Developer's Report on Community Benefits

Attachment 2: Letter to Master Developer on 2017 Quarter 3 Community Benefits Compliance Status

HPS 1 and CPHPS 2 Community Benefits Compliance Report Q3 2017

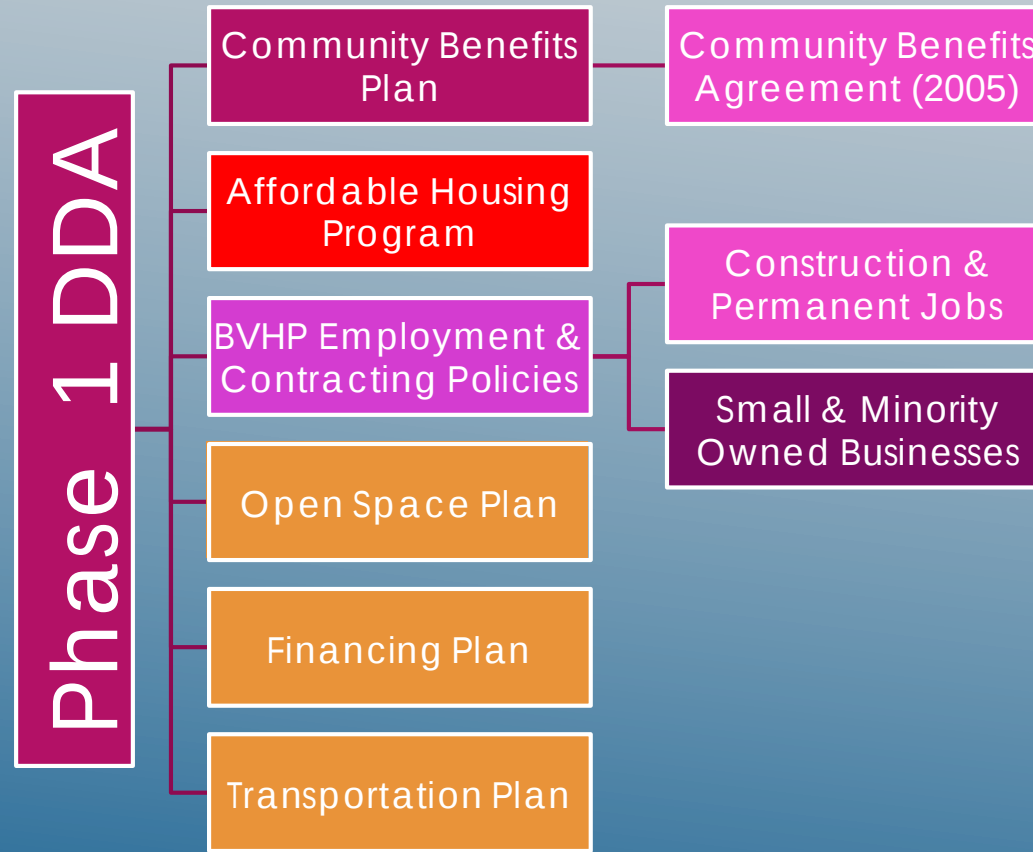
GOVERNING DOCUMENTS

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

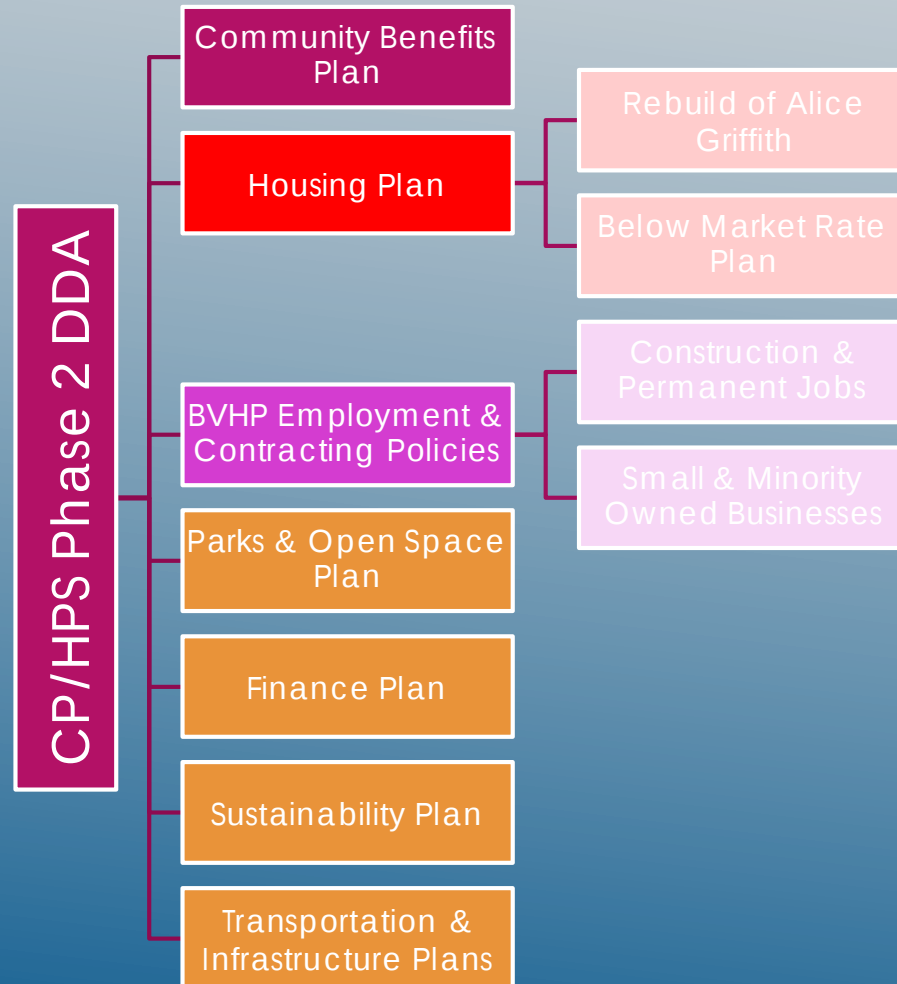
PHASE 1: COMMUNITY BENEFITS

- ❑ 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 (open to the public)
- ▶ 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) (complete)
- ▶ Candlestick Point Wet Utilities (CP02,03,04)
- ▶ HPSY Commercial Kitchen (complete)
- ▶ HPSY Artist Parcel Demolition, Mass grading & Utilities
- ▶ HPSY Pocket Parks 15-16 (complete)
- ▶ Hilltop Streetscape
- ▶ HPSY Existing Building Abatement - First Phase (Complete)
- ▶ Hillside Infrastructure (anticipated start = end Q2 2018)
- ▶ HPSY Block 48 (anticipated start = TBD)
- ▶ HPSY Block 55

COMMUNITY BENEFITS PROGRAM HIGHLIGHTS- *FROM INCEPTION THRU Q3 2017*

- ▶ **\$15,590,859** in direct expenditures to benefit the Community
- ▶ Job training expenditures **\$2,181,872** to date
- ▶ Contractor Assistance Expenditures **\$1,523,245** through Q3 2017.
- ▶ **8162** jobs created
- ▶ Nearly 36% of workforce hours contributed local SF Residents
- ▶ Minorities comprise almost 58% of the workforce
- ▶ **2,164,355** hours of labor generated
- ▶ 281 units being built with Community Builders on Phase 1 (another *224 anticipated) (includes Block 49 – Pacific Pointe)
- ▶ \$2,170,000 in grants made through the Implementation Committee to date
- ▶ Alice Griffith – to Q3, nearly **\$43M** in subsidy provided, not including cost of infrastructure which is estimated

*Inception to Q3 2017

Direct Expenditures and/or Payments To Date – As of Q3 2017

9

DDA – PHASE 1 &2

Community Benefits Fund	1,000,000.00
Community Health and Wellness Contributions	350,000.00
Construction Assistance Program	1,523,245.00
Education Improvement Fund	500,000.00
Interim African Marketplace	192,000.00
Job Training & Employee Assistance	2,181,872.00
Outreach Program (incl Homebuyer Assistance)	1,039,000.00
Scholarship Fund	500,000.00
Small Business Assistance Program	11,742.00
	7,297,859.00

CCBA

Community First Housing Fund	5,698,000.00
Workforce Program Funding	2,075,000.00
Technical Assistance Funding	520,000.00
	8,293,000.00

15,590,859.00

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		

Q3 2017 Construction Workforce Program Performance

San Francisco Residents: **28,582** hrs. Approx. **21.68** %

District 10 Residents: **11,895** hrs. Approx. **11.26**%

Over **1100** people worked on the project during Q3

	Total Hours	% of Total Work hours
San Francisco Residents	28,582.80	27.05%
Total Minorities	42,551.88	40.26%
Black/African American	8,970.75	8.49%
Hispanic	29,881.98	28.28%
Asian/Pacific Islander	3546.65	3.36%
Caucasian	18,438.50	17.45%
Native American/Alaskan	152.50	.14%
Other	44,690.60	42.29%
Women	3712.00	3.51%

PHASE 1- CONTRACTOR ASSISTANCE PROGRAM

- ▶ **a) Technical Assistance Program:** Butler Enterprise Group administers the Phase 1 and Phase 2 CAP 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 Q3 protégés secured nearly \$560K 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 **\$1,406,309** 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 \$1,523,245 in expenditures for contractor support since project inception thru Q3 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	12

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

*Previous Reports have overstated the number of units in the
 Phase 1 program.

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 in compliance.

No market-rate blocks have been assigned for

Community Builders in the 1st 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 approximately 6 acres of developable lots for community facilities.

- ▶ Phase 1: 1.2 acres
- ▶ Phase 2: 4.8 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 Q1 2018 w/completion estimated in Q4 2019**) - updated
- ▶ Art Center Parcel
- ▶ Replacement Commercial Kitchen (**Completed July 2017**)
- ▶ Fire Station Lot

JOB TRAINING AND EMPLOYEE ASSISTANCE PROGRAM

From inception, Master Developer has spent \$ 2,181,872 on Job Training programs and activities through Q3 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 Q3, 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 now has Job Training program in place to meet annual expenditure requirements, including two new programs:
 - A) Health career exploration/training – 3rd Street Youth Clinic
 - B) Gardening landscaping – The Garden Project
- ▶ Programs have a D10 focus, and generally 2year contracts to respond to requirement to provide a reasonable measure of sustained funding.
- ▶ Programs are responding to broader workforce and economic trends per DDA
- ▶ Shortfall is approximately \$415K (2005-2016)

Job Training and Employee Assistance Program - **Shortfall**

- ▶ Master Developer has an annual spend requirement of **\$225K**.
- ▶ **Shortfall is approximately \$415K (2005-2016) and is being made up in the following manner:**

The Garden Project - **\$35K** for additional equipment

Young Community Developers – Math Academy – New Program - **\$380K**

Job Training and Employee Assistance Program – **Young Community Developers**

► YCD is uniquely qualified to execute this program as it is currently the primary job training organization in D10 and has currently providing educational services for GED/HS Diploma completion, and Career training & Certification completion classes. In addition, YCD also has a summer academic program for D10 youth. Not only does YCD receive resources for training from the City and County of SF, but also philanthropy and several other developers because of our training quality and reputation (Forest City, Bridge, Lennar, Union Bank, Wells Fargo, soon the Giants, Build Inc.). YCD is the sole training entity for the SFPUC SSIP Program careers (along with Labor).

While the math academy will be focused on adults, we see this experience as demonstrating that YCD is familiar with providing the structure necessary to assist the participants in completing the 12 week cycle that will be necessary.

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. **The workshop for Q3 2017 was held on August 24, 2017.**

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- Q3 2017, there were 69 first time homebuyer informational workshops with a total of 1377 attendees
- ▶ There were **two** workshops in Q3 with a total of 46 attendees, the majority of whom were SF residents and/or D10 residents.

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

- ▶ Developer has spent **\$1,039,000** on outreach activities through the office of Community Affairs to date. However, many outreach activities are executed and funded by other departments/teams, including the Construction Assistance Program), the BMR program (Lennar), Entitlements Team, etc.
- ▶ During Q3 2017 there were approx. 18 CAC meetings – both Subcommittee and Full committee, where parts of the project were presented and discussed.
- ▶ 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).
- ▶ Developer now engaging more community members to assist in this effort, and utilizing community blogs, as well as e-blast lists of existing entities and groups.

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 has already contributed **\$1million** to the 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**

HEALTH & WELLNESS FUND

Phase 2 Program:

- ▶ The Community Health & Wellness obligation includes a \$250K contribution is to be used for the expansion of the Southeast Health Center (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 for the Southeast Health Center**
- ▶ **\$100K paid to date for the Community Health & Wellness Fund (\$2M obligation)**

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 is 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 (Workforce Development Fund)	\$140,000	To provide paid summer work experience to 60-75 underemployed D10 youth
YOUNG COMMUNITY DEVELOPERS - 6/28/2011 (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 (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 - 12/1/2012 (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 (2012 LISTENING SESSIONS) 8/2/2012 (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 DEVELOPMENT CORPORATION 1/16/2014 (Workforce Development Fund & Community First Housing Fund)	\$610,000	To provide financial empowerment services to expand the financial capability of 100 low and moderate income households in D10.
NOR-CAL FDC - 11/13/2014 (Workforce Development Fund)	\$250,000	To create a revolving loan fund to assist owners of 10 D10-based licensed small construction companies acquire short-term, low interest rate financing and construction management assistance.

IMPLEMENTATION COMMITTEE EXPENDITURES- CONTINUED

GRANTEE	AMOUNT	PURPOSE
SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION 10/01/2015 (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 MULTIPURPOSE SENIOR SERVICES, INC. 12/01/2015 (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.
Workforce Development & Training Grant – Career Ladders & Advancement (Workforce Development Fund)	\$455K	Three sectors: Hospitality -union wages, focus on move up, recruitment in D10 (\$165K) Healthcare – partnership with Kaiser, focus on move up, focus on current employees who live in D10 and eligible for move up with training (\$130K) Maritime – Merchant Seaman – Workforce Collaborative - Anchor Program(\$160K)

IMPLEMENTATION COMMITTEE

EXPENDITURES- CONTINUED

37

SFHDC	\$500k - pending	To participate in the purchase of 5030 3rd St. (Hongisto Bldg.) – Program includes maintenance of affordable housing on top and a 2nd location for Craftsman & Wolves in commercial space Estimated closing date: Jan. 18th, 2018 Purchase Price : \$3,256,000, incl. \$1.6M Smal Sites funding
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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 Q3 2017

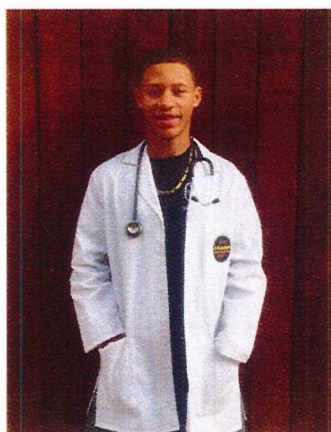
THANK YOU

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Year-End report to:
LENNAR/FIVEPOINT
Submitted by:
Larkin Street Youth Services on behalf of
3rd Street Youth Center & Clinic
November 10th, 2017
Grant: \$100,000 over one year

3rd Street Youth Center and Clinic (fiscally sponsored by Larkin Street Youth Services) is reporting on a program support grant that covered the Health Core program expenses over the twelve months from June 2016 – November 2017. This report provides a general overview of the organization's institutional progress and provides a summary of the kinds of work we conducted during the grant period.

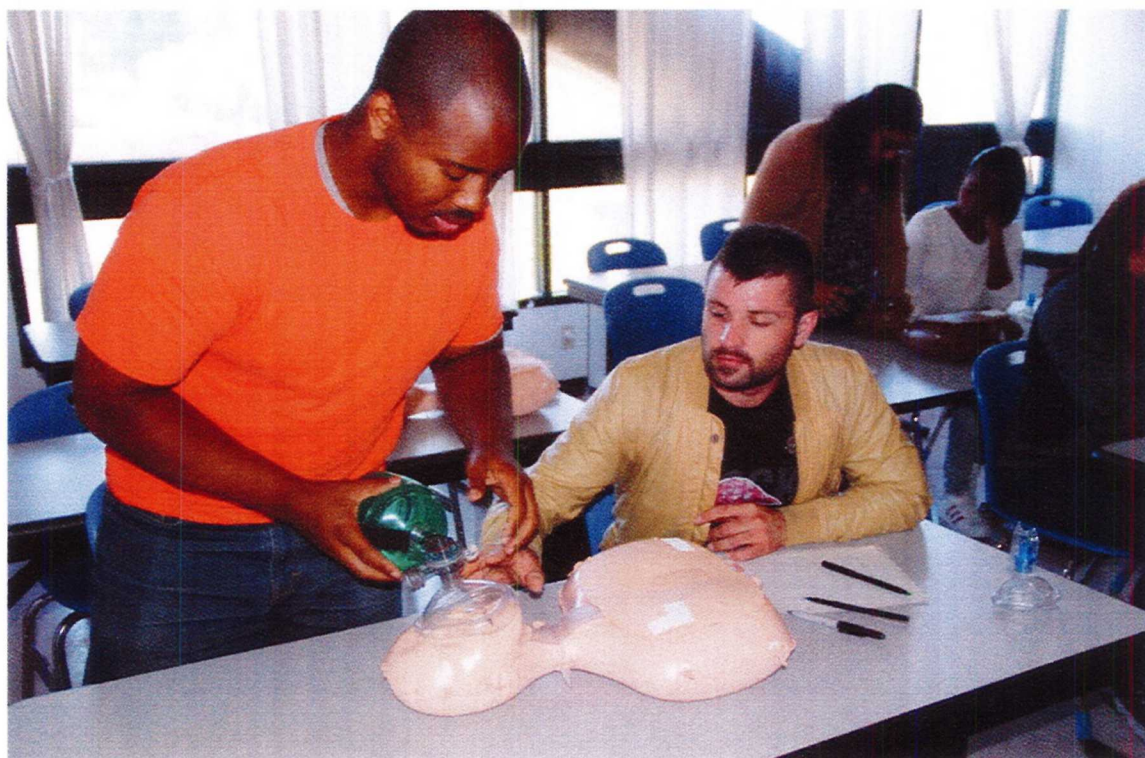


Thank you for the Lennar/FivePoint grant to support 3rd Street Youth Center and Clinic's Health Core program.

We held four cohorts; two cohorts during the grant period with a total of 24 completed the program. Topics included community violence, mental health, asthma, nutrition, and sexual reproductive health. Each week focused on a health topic and 2-3 related allied health professions, such as Emergency Medical Technician/Paramedic (EMT), X-ray Tech, surgical technician, community health worker, social worker, and therapist. The youth learned the steps to attain each health career (i.e.. school options, how much schooling is needed, certification requirements, etc.) and how to access training programs for health technical careers that are offered in the San Francisco Bay Area. We explored how violence in the Bayview impacts the health of the people who live here. We also discussed how young people can become change agents and assist their community to become safer and healthier.

During the mental health component, participants learned about the three most significant determinants of mental health (social inclusion, freedom from discrimination and violence, and access to economic resources) and how the primary mental health service provider for black and brown communities is the justice system. The youth brainstormed alternative ways people could access mental health resources. Week 8 of Health Core covered Sexual and Reproductive Health including basic family planning education and counseling.

Another aspect of Health Core is field trips to HealthRight 360, the SF City Clinic, Rafiki Wellness Center, City College of San Francisco, and Skyline College. While at CCSF faculty from the EMT and pharmacy programs gave the youth an informative tour of their facilities. They discussed the program curriculum, duration of programs, pre-requisites, costs of the program, etc. During the Skyline fieldtrip lasted a full day and covered the EMT program, surgical tech program, respiratory therapist program, and more.



Career Aspirations

As for career plans, Health Core participants have expressed interest in becoming an EMT/Paramedic, X-ray tech, surgical tech, Respiratory Therapist, RN, Nurse Practitioner, Doctor, Community Health Worker, Ultrasound tech, and more. Below are three participant career plans:

- A.J. is currently a student at City College of SF and has aspirations of becoming a Nurse Practitioner. He has applied to the EMT program at CCSF and Skyline for Spring 2016 so that he can get more experience in the field, Summer/Fall 2017 he plans to work as an EMT part-time and continue taking his general education requirements at CCSF or Skyline. In the spring of 2018 he plans to transfer to Cal State East Bay to get his bachelor's degree in nursing.
- L.B. wants to be a surgical tech. She has applied to Skyline for Spring 2016. She plans to take her math and English placement test so that she can start taking her pre-requisite courses in Spring 2016. She will apply to the surgical tech program at Skyline Summer 2016. The program is a year long, she hopes to complete the program on time and be working as a surgical tech by summer of 2017.
- V.D. is a high school senior and wants to become a respiratory therapist. Her goals are to graduate high school with a 3.0 or higher and apply to Skyline Fall 2018. She will take her placement tests and begin taking her pre-requisites for the respiratory therapist program.

City College of SF provides a course titled Health 59 Intro to Community Health Work. This class allows the Health Core participants to experience what it is like to take a college course and expands their knowledge of health disparities in the community. If they pass the class with a C or better they meet the requirements for the Community Health Workers certificate program.

Health Core participants have gained and sharpened a wide variety of skills. Conversations about health disparities, career planning, professionalism, and more, have helped them make informed decisions about their lives. It have given them hope that they can actually play a major role in determining who and what they want to be in life. They are more informed on health issues in black and brown communities, which encourage them to take ownership over the decisions they make day-to- day. They are more informed on how to navigate through the junior college system. Most importantly, they are able to see what it takes first hand to pursue a career in the health field and that it's doable, not a foreign thing that only certain people are capable of doing. Health Core gives young people exposure and experience to gain self-determination.



Program Highlights

- We have had just over 50 youth complete Health Core in 2.5 years.
- 14% of our Health Core youth have already been hired in the health care field. 75% were hired upon completing Health Core (4 community health workers, 4 in-home care workers, 1 EMT).
- Of the youth during the Lennar/FivePoint grant period, 92% are currently enrolled in college.

- 77% of Health Core youth are full-time college students.
- 80% of our Health Core youth are on-track for certificate completion.
- Since hiring, Jesse Osorio, our health education coordinator, all Health Core students have passed their required college courses (Health 59, Intro to Allied Health Careers + First Aid/CPR for Healthcare Providers and Medical Terminology).
- We were able to provide a child watch program for parents in Health Core while they were in class every week.
- We paid for all school fees, books and supplies for our students enrolled in classes.
- We provided transportation for field trips, events, trainings and classes at Skyline College and City College of San Francisco.
- Staff and Health Core students started a study hall to ensure success in their health classes.
- Each student has routinely met with a mental/behavioral health professional and/or a case manager on a weekly basis.
- Most importantly, we provided stipends for 25 youth and food for every class.



Lessons Learned

We learned tremendously from piloting Health Core about how to develop and execute a youth workforce development program. With feedback from each cohort, our curriculum, activities, and compensation have all been adjusted to meet the needs of the participants. We have also formalized a plan for hosting their internships, as well as developed a mentor orientation. We also added child watch for their college classes, our supplemental course and internships. Young parents have numerous potential barriers outside of being a student or interns, so we strive to provide quality child watch for their children so they

CANDLESTICK POINT OVERVIEW

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Delivered as promised.



CANDLESTICK POINT OVERVIEW



Photo taken
FEB-2017

CANDLESTICK POINT OVERVIEW

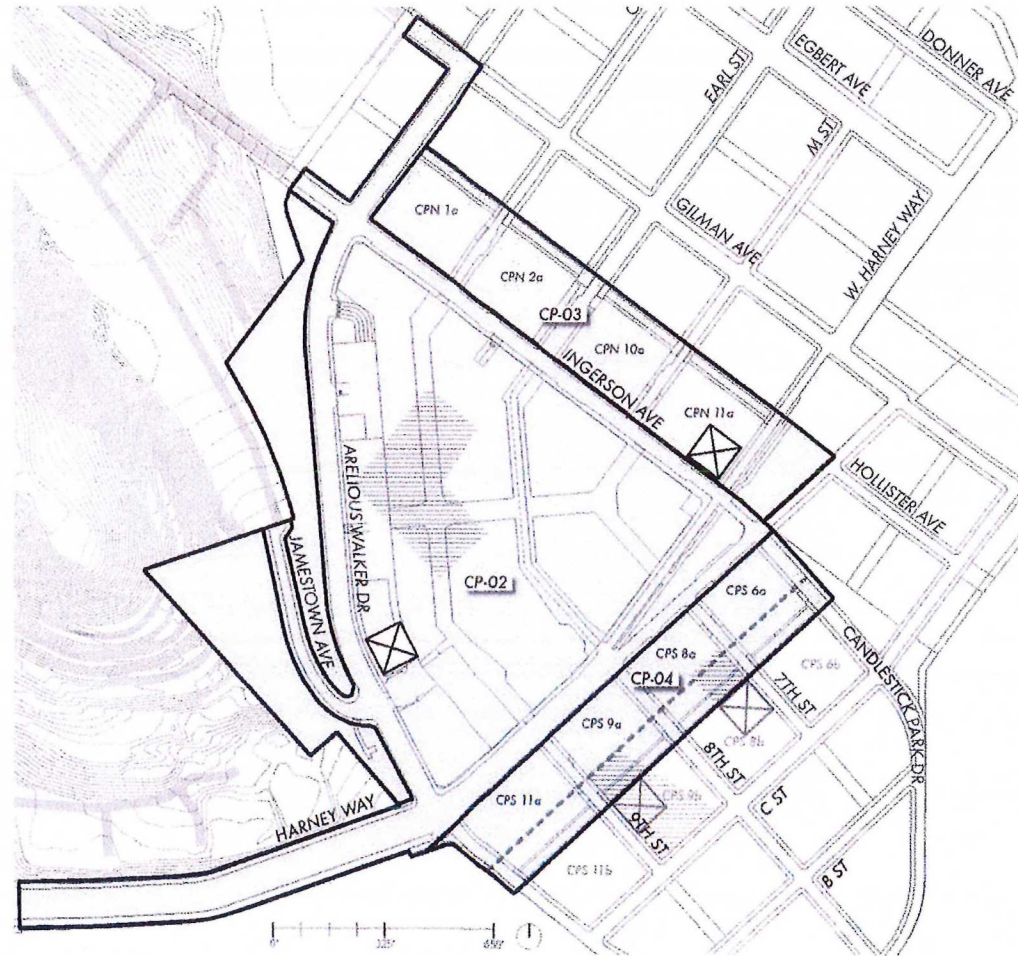
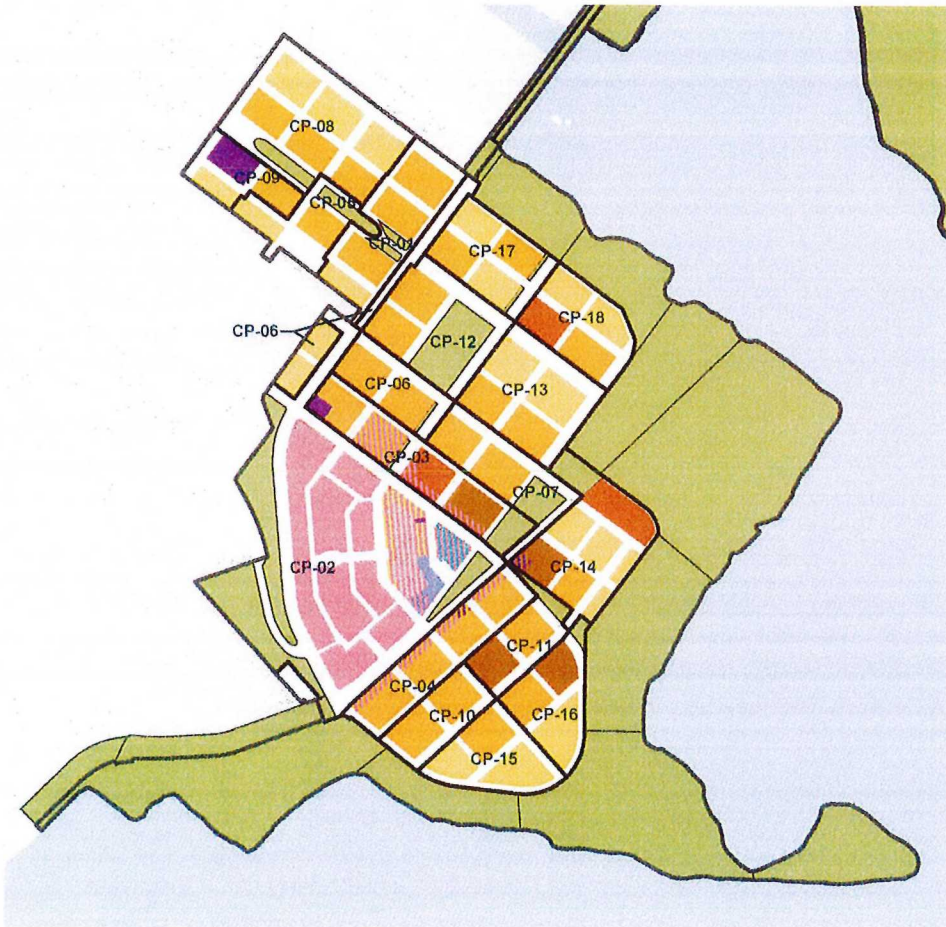
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JUNE - 2017

CANDLESTICK POINT SUB-PHASES CP-02,03,04

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CANDLESTICK POINT | BLOCK 2A

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Architect of Record: LPAS | Precon Contractor: Plant



CANDLESTICK POINT | BLOCK 2A



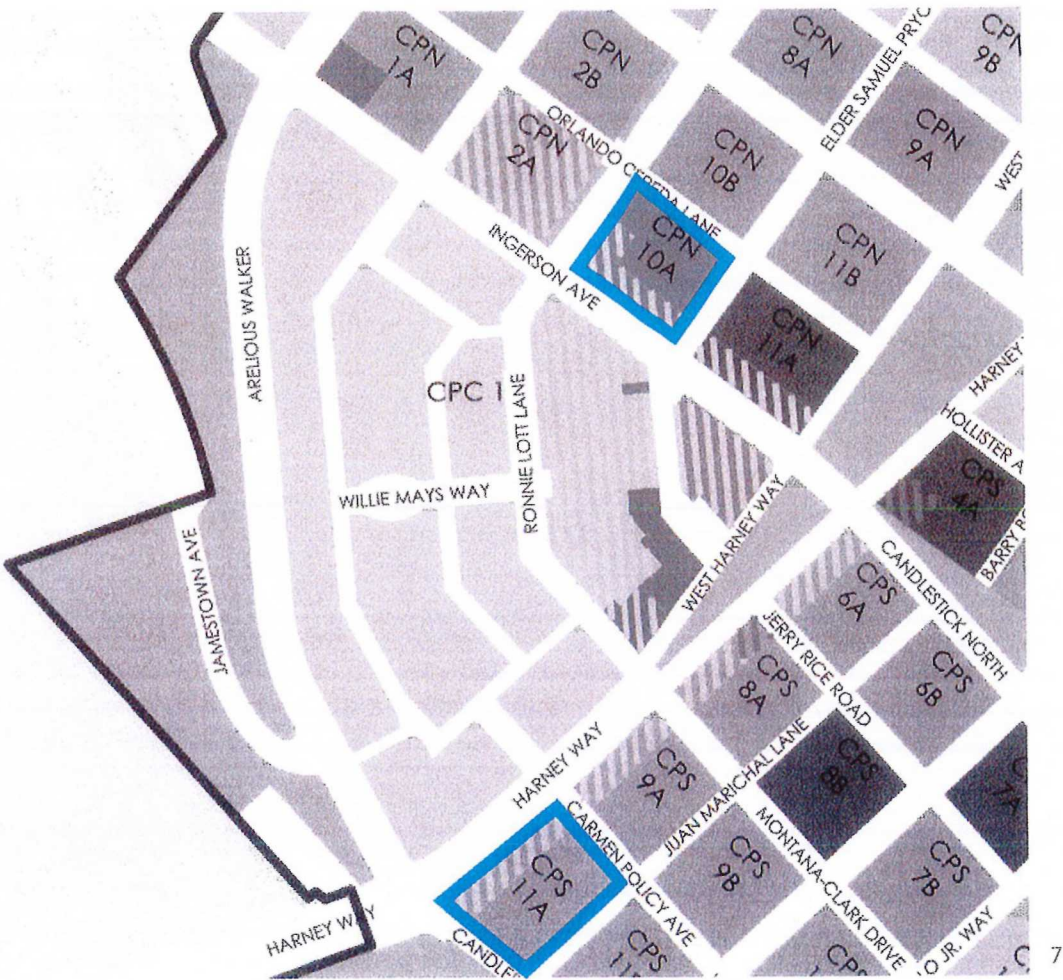
Architect of Record: LPAS | Precon Contractor: Plant



CANDLESTICK POINT | BLOCK 10A North and 11A South

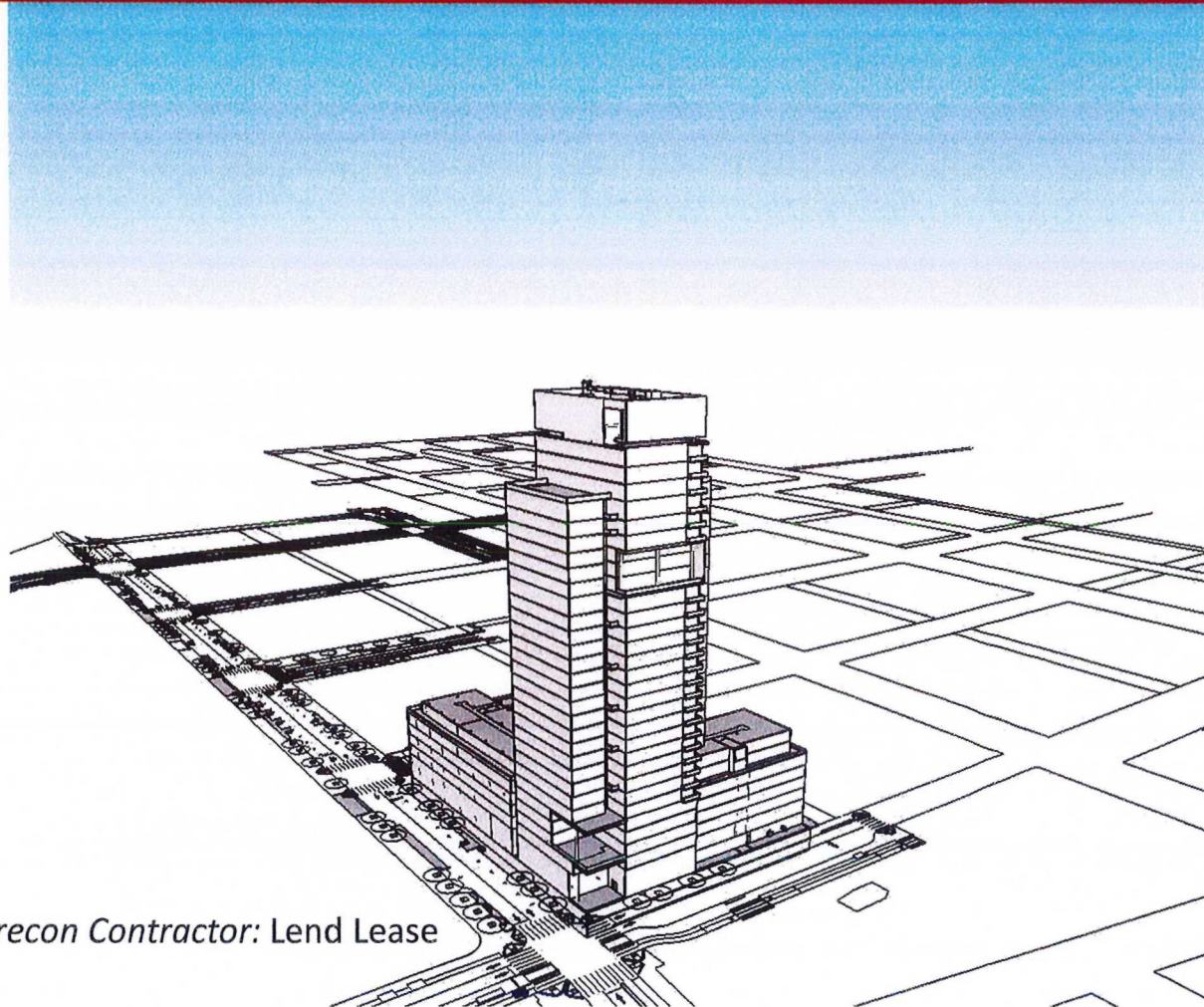


OCII/TNDC Project



CANDLESTICK POINT | BLOCK 11A North

FIVEPOINT[®]
Delivered as promised.



Architect of Record: HKS | Precon Contractor: Lend Lease
~410 Units

CANDLESTICK POINT | BLOCK 9A

124 Units | 15,000 sq. ft. Retail | Architect of Record: LPAS | General Contractor: Suffolk



VIEW OF MID-BLOCK BREAK
FROM 8TH STREET



VIEW OF RESIDENTIAL ENTRY
ON 8TH STREET



CANDLESTICK POINT | BLOCK 6A

FIVEPOINT™
Delivered as promised.

128 Units | 15,000 sq. ft. Retail
Architect of Record: BAR | General Contractor: Suffolk



VIEW FROM HARNEY WEST LOOKING AT THE CORNER OF HARNEY AND 8TH STREET

CANDLESTICK POINT | BLOCK 8A

FIVEPOINT™
Delivered as promised.

126 Units | 15,000 sq. ft. Retail
Architect of Record: BAR | General Contractor: Suffolk



VIEW FROM WEDGE PARK LOOKING AT THE CORNER OF INGERSON / CANDLESTICK PARKING DRIVE NORTH AND HARNEY



450-0062018-014

January 27, 2018

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

Re: 2017 Quarter 3 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 3 Community Benefits Status Report on December 7, 2017 ("2017 Q3 Report") from HPS Development Co., LP and CP Development Co., LLC (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 Q3 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.

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

CITY AND COUNTY OF
SAN FRANCISCO

Nadia Sesay
EXECUTIVE DIRECTOR

Marily Mondejar
CHAIR

Miguel Bustos
Mara Rosales
Darshan Singh
COMMISSIONERS

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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 AI 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 AI Norman Development as a Community Builder on Block 52 - including copies of the Fee Developer Agreements for AI Norman Development and Marinship regarding the eligibility and qualifications of each community builder by the end of the fourth 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

2015: OCII found that the Developer was not in compliance with this requirement and identified a \$410,000 shortfall. In 2015, the Phase 1 Developer expended \$241,000 meeting the \$225,000 annual obligation and \$16,000 of the \$410,000 shortfall for job training and committed to accelerating payments through 2018 to address the shortfall.

2016: The Phase 1 Developer spent approximately \$205,000 of the \$225,000 annual obligation. No funds were expended to address the prior years' shortfall, bringing the total shortfall, including previous years, to approximately \$414,000. In 2016, the Developer submitted a plan to OCII to accelerate \$414,000 in spending over the next 2 years.

2017: Developer has reported an expenditure of \$111,000 through Q3 of 2017. OCII will evaluate the expenditures when the Q4 report is received to confirm that the Developer's annual obligation is met.

To address the \$414,000 prior years' shortfall, the Developer provided a detailed proposal and spending plan for a 12-week Trade Union Pre-Apprentice Math Academy for \$380,000 and an additional grant to the Garden Project for \$35,000.

Job Training Program - Funding Status through Q3 2017

	Total Through CY 2017
Total Obligation through 2017	\$ 2,700,000
Expended	\$ 2,182,000
Proposed Shortfall Expenditures	\$ 415,000
Remaining Expenditure	\$ 103,000

Next Steps

- Developer will provide OCII with documentation demonstrating fourth quarter expenditures in the Quarter 4 CBA Report.

3) Submission of Quarterly Community Benefits Status Reports

Requirement

Per the Phase 1 CBA, the 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 Citizens Advisor Committee ("CAC"). Quarterly reports should be submitted within 30 days of the end of each quarter.

Status

Developer's Third Quarter report was due in October and submitted in December 2017. Developer is scheduled to present the information contained in the Quarter 3 report to the CAC in February 2018.

Next Steps

- Developer will provide the 2017 Fourth Quarter CBA update, covering October through December 2017, by January 31, 2018.

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 or (415) 749-2422.

Sincerely,



Nadia Sesay
Executive Director

Enclosures: 2017 Third Quarter Community Benefits Agreement OCII Compliance Audit
Analysis cc: Sally Oerth, Tamsen Drew, Kasheica McKinney (OCII)
La Shon Walker, Ivy Greaner, Suheil Totah (FivePoint), Ryan Hauck (Lennar)

OCII Community Benefits Agreement Compliance Analysis Q3 2017

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q2 2017	Q3 2017
Phase 1 § 3	Construction Assistance Program "CAP" 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 \$560,000 in new contracts during the third quarter of 2017.	—	In Compliance	In Compliance
	Construction Assistance Program 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 \$102,656 during the second quarter of 2017.	—	In Compliance	In Compliance
	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

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q2 2017	Q3 2017
Phase 2 § 5.2	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	Butler Enterprises held 5 contractor workshops in Q2 to assist contractors.	—	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	<u>Community Builder Program</u> 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	<u>Community Builder Program</u> 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	<u>Interim African Marketplace</u> 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 -	<u>Community Facilities Space</u> 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 -	<u>Community Facilities Space for International African Marketplace (IAM)</u> (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 s 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	Q2 2017	Q3 2017
Phase 2 § 3.2 -	<u>Community Facilities Space for other uses</u> (ii) a portion of the Community Facilities Spaces will be used for San Francisco Public Library Facilities (iii) 3,000 sf will be used for a 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. 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> Master Developer is obligated to: a) create a public art program that provides opportunities for local artists; b) install 500 sf of youth tiles; c) create historic walkway; and 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> 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. > Phase 1 Update: Master Developer to provide space in the Phase 2 project. > 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. > Phase 2 Update: OCII acquired Building 813 from the Navy in September 2015.	-	In Compliance	In Compliance
Phase 1 § 8	<u>Home Buyer Assistance Program</u> Master Developer is required to develop a program to provide assistance to qualified Phase 1 home buyers, including: a) Down Payment Assistance, b) First Time Buyer Financing Program, c) Homeownership Counseling	Partial 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.	Approximately 50% of attendees at the Homebuyer Workshops held in 2017 have been D10 residents. Developer is required to hold 4 workshops per year and has exceeded this requirement for 2017.	In Compliance	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q2 2017	Q3 2017
Phase 1 § 9	<u>Job Training and Employee Assistance Program</u> 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 \$ 2,182,000. Master Developer has accepted a proposal for a Math Academy and will invest \$380,000; as well as a proposal from Garden Project for \$35,000 to assist with the purchase of additional equipment. The total amount, \$415,000, addresses Developer's previous years' shortfall.	Master Developer's job training expenditure total for the first three quarters of 2017 was \$111,000.	Partial Compliance	In Compliance
Phase 1 § 10	<u>Local Community Priority Leasing Program</u> 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	<u>Small Business Assistance Program</u> Master Developer is required to identify opportunities to assist small businesses in BVHP with obtaining contracts by: a) creating and bi-annually updating a directory of local small businesses, 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. c) host quarterly networking workshops for BVHP 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. 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	<u>Outreach Program</u> 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.	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 providing translation of 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	Q2 2017	Q3 2017
Phase 1 § 13	Status Reports 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.	In Compliance	In Progress	Q2 2017 has not been presented to the CAC.	–	In Compliance	Partial Compliance
Phase 2 § 5.3	Community Real Estate Broker 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.	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	Community Facilities Parcel 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	Community Facilities Lots 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	Additional Community Facilities 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	Q2 2017	Q3 2017
	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	Scholarship Program 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	Education Improvement Fund 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	Wellness Contribution 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	Southeast Health Center 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	Community Benefits Fund 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	Community Benefits Fund 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