



450-0572018-002

Agenda Item **No. 8(a)**
Meeting of December 18, 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 October 2017 through June of 2018; 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 2017 Quarter 4 and the 2018 Quarter 1 and 2 Community Benefits Reports (provided in 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"). 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 Developers, HPS Development Co., LP and CP Development Co., LLC, (and provided comments in the HPS/CP OCII Community Benefits Compliance Analysis table (enclosure to 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. The Master Developer has made significant improvements in compliance with the Job Training and Community Builder programs. 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.

London Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marilyn Mondejar
CHAIR

Miguel Bustos
Dr. Carolyn Ransom-Scott
Mara Rosales
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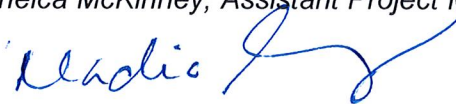
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www.sfocii.org

Future Updates

Per the Phase 1 CBA, the Phase 1 Master Developer is required to provide written status reports on all Phase 1 community benefits programs to the Commission and make presentations to the Mayor's Hunters Point Shipyard Citizen's Advisory Committee. The next community update will occur during the January 2019 meeting of the Hunters Point Shipyard Citizens Advisory Committee (CAC) and will cover the period from January 2018 through September 2018. OCII staff will provide the Commission an update on Master Developer's compliance with the CBA, including staff's analysis of compliance, in July 2019, 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 1a: 2017 Quarter 4 Master Developer's Report on Community Benefits
- Attachment 1b: 2018 Quarter 1 Master Developer's Report on Community Benefits
- Attachment 1c: 2018 Quarter 2 Master Developer's Report on Community Benefits
- Attachment 2: Letter to Master Developer on 2017 Quarter 4 through 2018 Quarter 2 Community Benefits Compliance Report

HPS 1 and CPHPS 2 Community Benefits Compliance Report Q4 2017

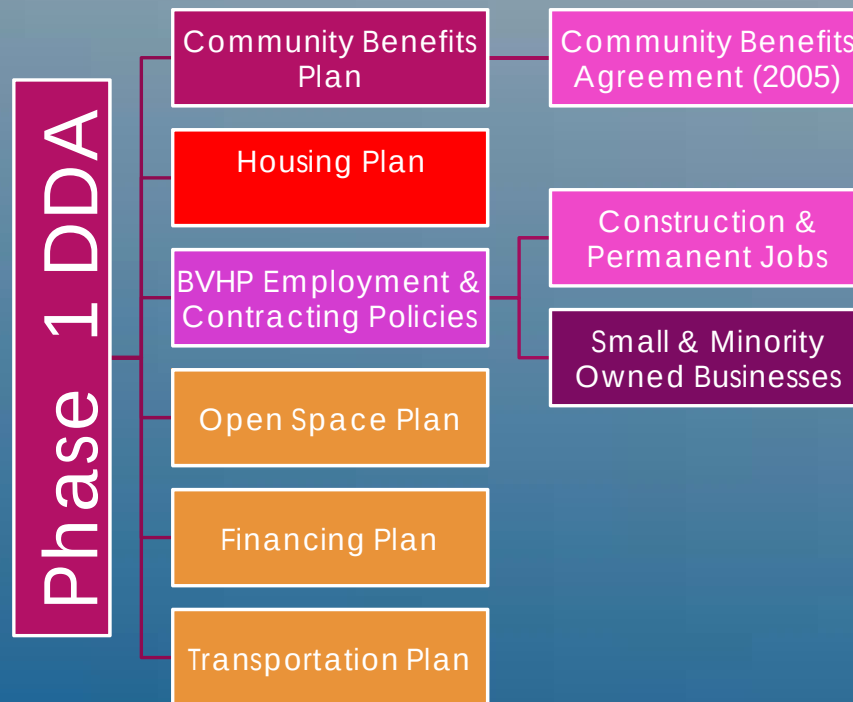
GOVERNING DOCUMENTS

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

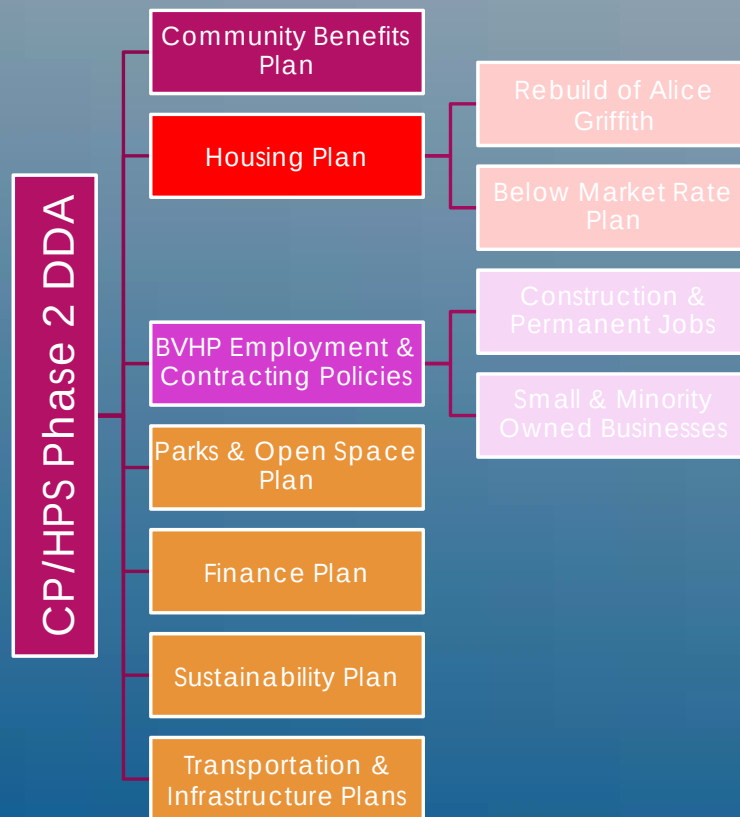
Job Training & Employee Assistance

Small Business Assistance Program

Community Benefits Fund*

*Denotes Community benefits carried forward into Phase 2

PHASE 2: DISPOSITION & DEVELOPMENT AGREEMENT



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 Q3 2018)
- ▶ HPSY Block 48 (anticipated start = TBD)
- ▶ HPSY Block 55

COMMUNITY BENEFITS PROGRAM HIGHLIGHTS- *FROM INCEPTION THRU Q4 2017*

- ▶ \$15,590,859 in direct expenditures to benefit the Community
- ▶ Job training expenditures **over \$2.3M** to date
- ▶ Contractor Assistance Expenditures **\$1,560,745** through Q4 2017.
- ▶ **8665** jobs created
- ▶ **27%** of workforce hours contributed local SF Residents
- ▶ Minorities comprise **almost 58%** of the workforce
- ▶ **Over \$2.2M** 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 date, nearly **\$43M** in subsidy provided, not including cost of infrastructure which is estimated

*Inception to Q4 2017

Direct Expenditures and/or Payments To Date – *From Inception thru Q4 2017*

DDA – PHASE 1 &2

Community Benefits Fund	1,000,000.00
Community Health and Wellness Contributions	350,000.00
Construction Assistance Program	1,560,745.00
Education Improvement Fund	500,000.00
Interim African Marketplace	192,000.00
Job Training & Employee Assistance	2,338,372.00
Outreach Program (incl Homebuyer Assistance)	1,039,617.00
Scholarship Fund	500,000.00
Small Business Assistance Program	11,742.00
	7,492,476.00

CCBA

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

15,785,476.00

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		

Q4 2017 Construction Workforce Program Performance

San Francisco Residents: **26,049** hrs. Approx. **26.50%** of hours

District 10 Residents: **11,700** hrs. Approx. **11.90%** of hours

Over **1000** people worked on the project during Q4

	Total Hours	% of Total Work hours
San Francisco Residents	26,049	26.50%
Total Minorities	48,163	49%
Black/African American	9,004	9.16%
Hispanic	35,736	36.35%
Asian/Pacific Islander	3,367	3.43%
Caucasian	15,779	16.05%
Native American/Alaskan	56	.06%
Other	34,379	34.97%
Women	2025	2.06%

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 Q4 protégés secured over **\$470K in new contracts**

PHASE 2 - CONTRACTOR ASSISTANCE PROGRAM

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

- ▶ Master Developer has spent **\$1,443,809** 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 \$1,560,745 in expenditures for contractor support since project inception thru Q4 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

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 1st
Major Phase of Candlestick.

Obligation will be fulfilled in
future Major Phases

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 **\$ 2,338,000** on Job Training programs and activities through Q4 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 Q4, 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 Q4 2017 was held on November 30, 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 **no** workshops in Q4 2017 but obligation for the year had been met, and next release of homes is not until approximately late Q2 2018.

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 Q4 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.
- ▶ First RFP/Disbursement - **\$25K** contribution to a Hacker Hub on 3rd Street (Urban Ed Academy

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 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 Small 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 Q4 2017

THANK YOU

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HPS 1 and CPHPS 2 Community Benefits Compliance Report Q1 2018

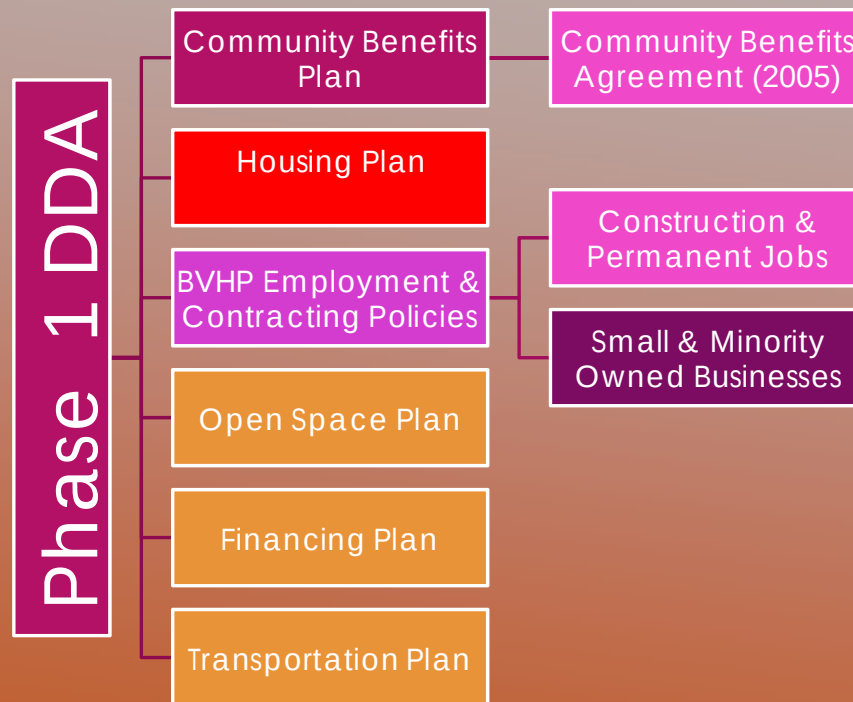
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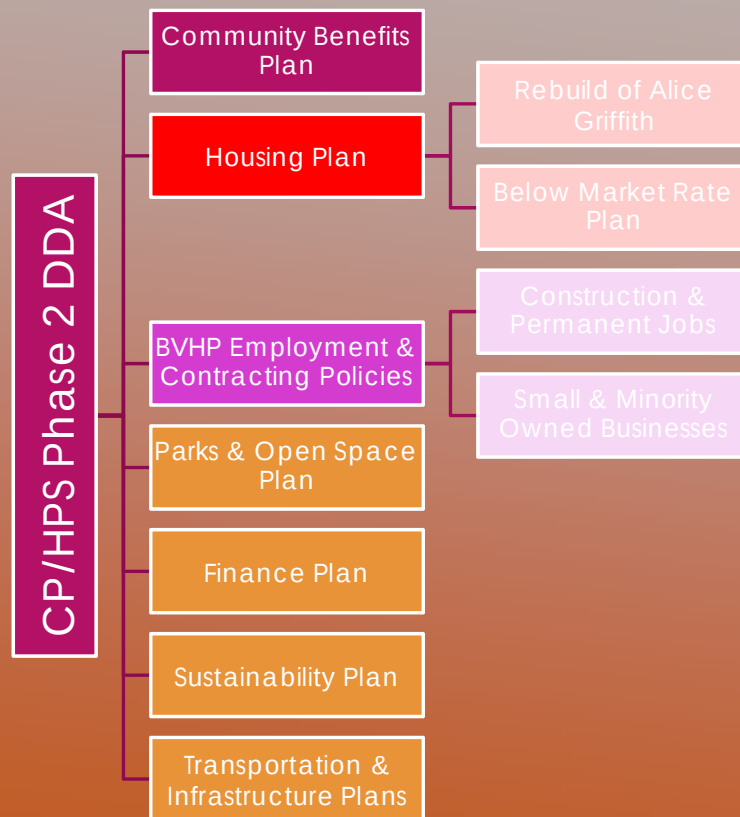
Small Business Assistance Program

Community Benefits Fund*

*Denotes Community benefits carried forward into Phase 2

PHASE 2: DISPOSITION & DEVELOPMENT AGREEMENT

5



Parties: OCII & CP Development Co., LP

CP & HPS Phase 2 DDA:
Entered into 2010

CBA Overseen by:

- ☐ Commission on Community Investment and Infrastructure
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Scholarship Fund
Education Improvement Fund
Community Health and Wellness Contributions

DEVELOPMENT PROJECTS UNDERWAY

HPSY Coleman Promenade and Galvez Overlook

HPSY Block 55 East/West

Candlestick Point Soil Importation (CP02)

Jamestown/Harney Intersection

COMMUNITY BENEFITS PROGRAM HIGHLIGHTS-

FROM INCEPTION THRU Q1 2018

- ▶ \$16,131,076 in direct expenditures to benefit the Community*
- ▶ Job training expenditures over \$2.6M to date*
- ▶ Contractor Assistance Expenditures \$1,629,845 through Q1 2018.
- ▶ 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 date, nearly \$46M in subsidy provided, not including cost of infrastructure which is estimated at \$28M

*Inception to Q1 2018

Direct Expenditures and/or Payments To Date – *From Inception thru Q1 2018*

DDA – PHASE 1 &2

Community Benefits Fund	1,000,000
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Scholarship Fund	500,000
Small Business Assistance Program	11,742
	7,838,076

CCBA

Community First Housing Fund	5,698,000
Workforce Program Funding	2,075,000
Technical Assistance Funding	520,000

16,131,076

PHASE 1 HOUSING UNITS

Block Numbers	Total Units	BMRs
1	224*	TBD
48	404	56
49	60	59
50	25	3
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57A/B	96	12
* proposed		

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Community Builders Program

Phase 1 Community Builders

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Phase 2 Update: Master Developer in compliance.
 No market-rate blocks have been assigned for
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Phase 2: OCII Community Builders



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

(1st installment paid 2/26/18)

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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).

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- ▶ Master Developer has begun to hold networking quarterly to which suppliers are invited. **The workshop for Q1 2018 was held on January 17, 2018.**

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- 2017**, there were **69** first time homebuyer informational workshops with a total of **1377** attendees
- There was **one** workshops in Q1 2018, held on March 26, 2018. Report from SFHDC attached.

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 Q1 2018 there were many public meetings related to our proposed updates to the HPS2 Development Plan. Those meetings included a community open house (January), PROSAC, Rec. & Park Commission, Historic Preservation Committee, SFMTA Policy & Governance (all in March), and three HPS CAC subcommittee meetings throughout the first quarter.
- 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.
- Master Developer is now translating special notifications that are broadly distributed into Spanish, Chinese, and Samoan for both Phase 1 (required), and Phase 2 (not required)
- Developer now maintaining a Community Affairs page on the SF Shipyard website.

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.
- ▶ First RFP/Disbursement - **\$25K** contribution to a Hacker Hub on 3rd Street (Urban Ed Academy

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 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
JAPANESE 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

38

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 Small 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 Q1 2018

THANK YOU

La Shon A. Walker
Director of Community Affairs
One Sansome Street, Suite 3200
San Francisco, CA 94104
(415) 995-1770 ext. 8848
(415) 344-8848 Direct
(415) 344-8847 FAX
LaShon.A.Walker@fivepoint.com

DEVELOPMENT PROJECTS COMPLETED

- ▶ HPSY Blocks 50-51, Blocks 53-54, and Welcome Center
- ▶ HPSY Blocks 56-57 (complete)
- ▶ HPSY 49
- ▶ HPSY Regional Parks- Innes Court/Park & Hillpoint Park Overlook
- ▶ Candlestick Park Demolition
- ▶ Alice Griffith Infrastructure
- ▶ Alice Griffith Gilman Sewer (CP01)
- ▶ Alice Griffith Demo, Mass Grading & Surcharge
- ▶ Candlestick Point Surcharge (CP02,03,04)
- ▶ Candlestick Point Wet Utilities (CP02,03,04)

- ▶ HPSY Commercial Kitchen
- ▶ HPSY Artist Parcel Demolition, Mass grading & Utilities (paused)
- ▶ HPSY Pocket Parks 15-16
- ▶ Hilltop Streetscape
- ▶ HPSY Existing Building Abatement - First Phase
- ▶ Hillside Infrastructure (anticipated start = end Q3 2018)
- ▶ HPSY Block 48 (anticipated start = TBD)
- ▶

HPS 1 and CPHPS 2 Community Benefits Compliance Report Q2 2018

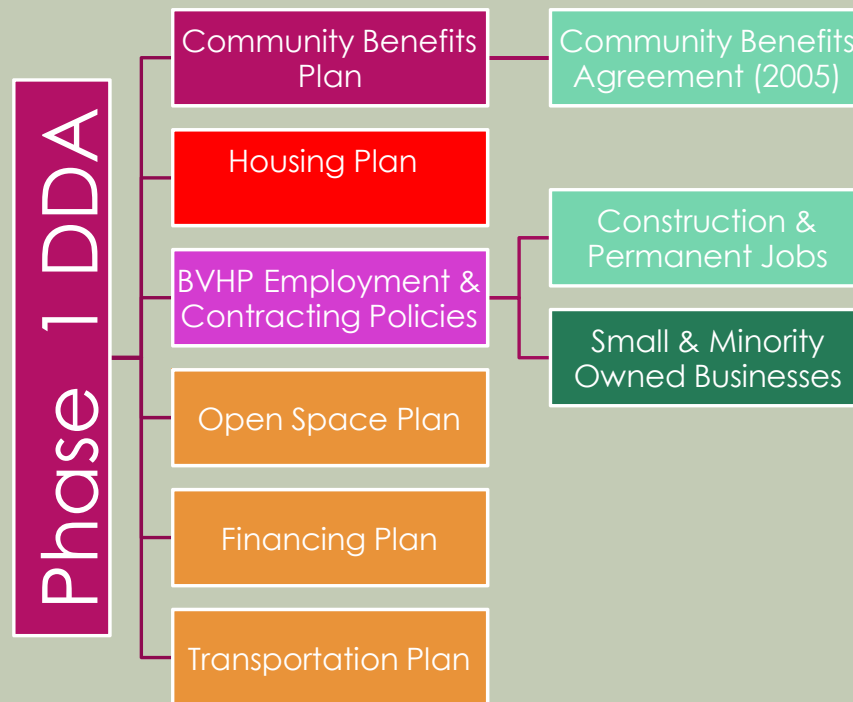
GOVERNING DOCUMENTS

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

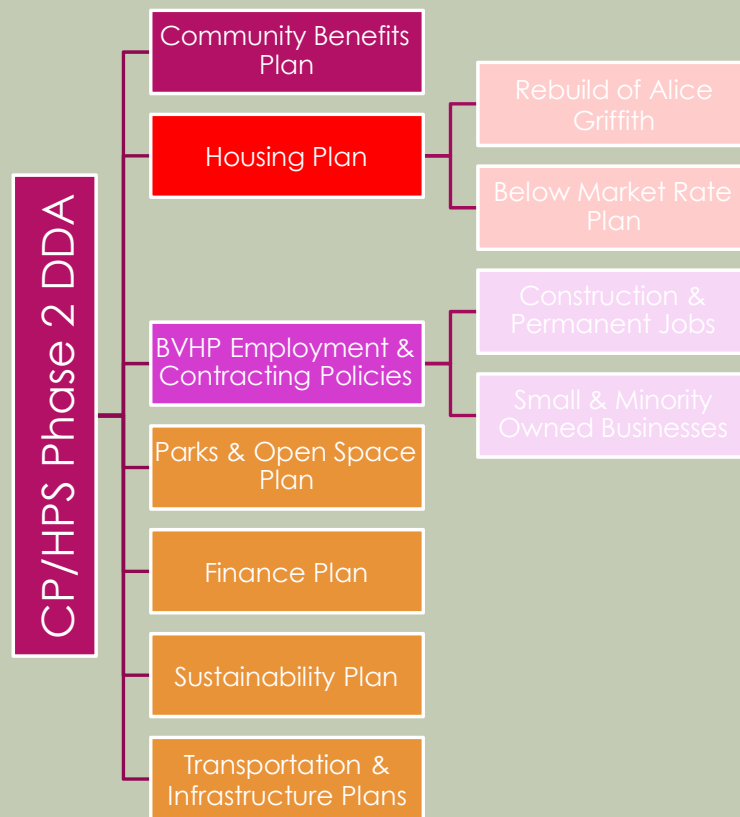
Small Business Assistance Program

Community Benefits Fund*

*Denotes Community benefits carried forward into Phase 2

PHASE 2: DISPOSITION & DEVELOPMENT AGREEMENT

5



Parties: OCII & CP Development Co., LP

CP & HPS Phase 2 DDA:
Entered into 2010

CBA Overseen by:

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- ☐ 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 Coleman Promenade and Galvez Overlook

HPSY Block 55 East/West

Candlestick Point Soil Importation (CP02)

Jamestown/Harney Intersection

COMMUNITY BENEFITS PROGRAM HIGHLIGHTS-

FROM INCEPTION THRU Q2 2018

- ▶ **\$16,234,326** in direct expenditures to benefit the Community*
- ▶ Job training expenditures **over \$2.6M** to date*
- ▶ Contractor Assistance Expenditures **\$1,667,345** through Q2 2018.
- ▶ 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 date, nearly **\$46M** in subsidy provided, not including cost of infrastructure which is estimated at **\$28M**

*Inception to Q2 2018

Direct Expenditures and/or Payments To Date – *From Inception thru Q2 2018*

DDA – PHASE 1 & 2

Community Benefits Fund	1,000,000
Community Health and Wellness Contributions	350,000
Construction Assistance Program	1,667,345
Education Improvement Fund	500,000
Interim African Marketplace	192,000
Job Training & Employee Assistance	2,680,622
Outreach Program (incl Homebuyer Assistance)	1,039,617
Scholarship Fund	500,000
Small Business Assistance Program	11,742
	7,941,326

CCBA

Community First Housing Fund	5,698,000
Workforce Program Funding	2,075,000
Technical Assistance Funding	520,000

16,234,326

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
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- ▶ 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 to which suppliers are invited. **The workshop for Q2 2018 was held on June 14, 2018.**

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. Developer will receive building 813 when it receives the requisite sub phase approval. As part of the HPS2 update process (Spring 2018), Developer has committed to providing a premise for 75K sq ft of maker space on site, Building 813.

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- 2017**, there were **69** first time homebuyer informational workshops with a total of **1377** attendees
- ▶ There was **one** workshops in Q2 2018, held on **June 14, 2018**. Report from SFHDC attached.

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 Q2 2018 there were many public meetings related to our proposed updates to the HPS2 Development Plan. **A list of those meetings is attached.**
- ▶ 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.
- ▶ Master Developer is now translating special notifications that are broadly distributed into Spanish, Chinese, and Samoan for both Phase 1 (required), and Phase 2 (not required)
- ▶ Developer now maintaining a Community Affairs page on the SF Shipyard website.

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.
- ▶ First RFP/Disbursement - **\$25K** contribution to a Hacker Hub on 3rd Street (Urban Ed Academy

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 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

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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 Small 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 Q2 2018

THANK YOU

La Shon A. Walker
Director of Community Affairs
One Sansome Street, Suite 3200
San Francisco, CA 94104
(415) 995-1770 ext. 8848
(415) 344-8848 Direct
(415) 344-8847 FAX
LaShon.A.Walker@fivepoint.com

DEVELOPMENT PROJECTS COMPLETED

- ▶ HPSY Blocks 50-51, Blocks 53-54, and Welcome Center
- ▶ HPSY Blocks 56-57 (complete)
- ▶ HPSY 49
- ▶ HPSY Regional Parks- Innes Court/Park & Hillpoint Park Overlook
- ▶ Candlestick Park Demolition
- ▶ Alice Griffith Infrastructure
- ▶ Alice Griffith Gilman Sewer (CP01)
- ▶ Alice Griffith Demo, Mass Grading & Surcharge
- ▶ Candlestick Point Surcharge (CP02,03,04)
- ▶ Candlestick Point Wet Utilities (CP02,03,04)
- ▶ HPSY Commercial Kitchen
- ▶ **HPSY Artist Parcel Demolition, Mass grading & Utilities (paused)**
- ▶ HPSY Pocket Parks 15-16
- ▶ Hilltop Streetscape
- ▶ HPSY Existing Building Abatement - First Phase
- ▶ **Hillside Infrastructure (anticipated start = end Q3 2018)**
- ▶ **HPSY Block 48 (anticipated start = TBD)**



450-0582018-014

December 10, 2018

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

Re: 2017 Quarter 4 through 2018 Quarter 2 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") is in receipt of the 2017 Quarter 4 ("Q4") and 2018 Quarter 1 ("Q1") and 2 ("Q2") Community Benefits Status Reports 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 Candlestick Point Hunters Point Shipyard Phase 2 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 assessed the reports 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 two areas, which the Developer should focus on implementing improvements:

London Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marily Mondejar
CHAIR

Miguel Bustos
Mara Rosales
Darshan Singh
Dr. Carolyn Ransom-
Scott
COMMISSIONERS

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

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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 Mariship regarding the eligibility and qualifications of each community builder by the end of June 2019.

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 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 \$267,000 in 2017, reducing the shortfall to approximately \$372,000.

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

2018: The Phase 1 Developer spent approximately \$294,500 through Q2. Developer anticipates full compliance with the job-training obligation with an expenditure for the 2018 Trade Union Pre-Apprentice Math Academy by December 31, 2018.

Job Training Program - Funding Status through Q2 2018

	Total Through CY 2018
Total Obligation through 2018	\$ 2,925,000
Expended	\$ 2,680,622
Remaining Expenditure	\$ 244,378

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 Fourth Quarter and 2018 First and Second Quarter Community Benefits Agreement
OCII Compliance Audit

Analysis cc: Sally Oerth, Lila Hussain, Kasheica McKinney (OCII)
La Shon Walker, Suheil Totah (FivePoint), Ryan Hauck (Lennar)

OCII Community Benefits Agreement Compliance Analysis
October 2017 through June 2018

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
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	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	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	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	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 over \$800,00 in new contracts during the the second quarter of 2018.	–	In Compliance	In Compliance	In Compliance
Phase 2 § 5.2	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 \$334,770 in 2017 and \$178,382 through Q2 of 2018.	–	In Compliance	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	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	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
	d) Contractor Workshops	In Compliance	In Progress	Butler Enterprises held workshops to assist contractors in Q4 of 2017 and Q1 and Q2 of 2018.	—	In Compliance	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	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	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	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	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	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	In Compliance
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	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
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	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	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 have been D10 residents. Developer is required to hold 4 workshops per year and has exceeded this requirement for 2017.	In Compliance	In Compliance	In Compliance
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 yeras' shortfall.	Master Developer's job training expenditure total for 2017 was \$267,500. (Dev Q 4 total2,338,372)	In Compliance	In 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	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
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. 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. Networking events were held in Q4 of 2017 and Q1 and Q2 of 2018.	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	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	In Compliance
Phase 1 § 13	<u>Status Reports</u> 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	Q1 and Q2 of 2018 have not been presented to the CAC.	—	In Compliance	Partial Compliance	Partial Compliance
Phase 2 § 5.3	<u>Community Real Estate Broker Program</u> 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	In Compliance
Phase 1 § 12	<u>Community Facilities Parcel</u> 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	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
Phase 2 § 3.3	<u>Community Facilities Lots</u> 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	In Compliance
Phase 1 § 12	<u>Additional Community Facilities</u> 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	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	In Compliance
	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	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	In Compliance
Phase 2 § 1.1	<u>Scholarship Program</u> 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	In Compliance

Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2017	Q1 2018	Q2 2018
Phase 2 § 1.2	<u>Education Improvement Fund</u> 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	In Compliance
Phase 2 § 2.1	<u>Wellness Contribution</u> 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	In Compliance
Phase 2 § 2.1	<u>Southeast Health Center</u> 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	In Compliance
Phase 1 - 5th Amendment	<u>Community Benefits Fund</u> 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	In Compliance
Phase 2 § 2.1	<u>Community Benefits Fund</u> 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	In Compliance