



450-0192020-002

Agenda Item **No. 8(a)**
Meeting of August 18, 2020

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Report on compliance by the Master Developer on Phase 1 of the Hunters Point Shipyard, with the Community Benefits Programs for October 2018 through December of 2019; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

EXECUTIVE SUMMARY

As required by the Hunters Point Shipyard Phase 1 Community Benefits Agreement ("CBA") and at the request of the Commission on Community Investment and Infrastructure ("Commission"), the Master Developer of the Hunters Point Shipyard Phase 1 Project, HPS Development Co., LP (an affiliate of Lennar) ("Master Developer"), has provided 2018 Quarter 4 and 2019 Quarters 1, 2, 3, and 4 Community Benefits Reports (Attachment hereto). The attached reports provide details of the Master Developer's efforts to meet the various programs of the Community Benefits Agreement ("CBA") as stipulated in the Hunters Point Shipyard Phase 1 Disposition and Development Agreement ("DDA"). The Phase 1 DDA contains robust community benefit commitments to be fulfilled by the Master Developer.

The Office of Community Investment and Infrastructure ("OCII") staff has reviewed the report submitted by the Master Developer and provided comments in the HP OCII Community Benefits Compliance Analysis table (enclosure to Attachment 1), 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 CBA 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 program. The Master Developer has made major improvements in compliance with the Job Training program. Where the requirement has not been fully met, the letter to the Master Developer (Attachment 2) addresses next steps by the Developer moving forward.

London N. Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Miguel Bustos
CHAIR

Mara Rosales
Bivett Brackett
Dr. Carolyn Ransom-Scott
COMMISSIONERS

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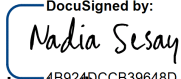
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Future Updates

Per the CBA, the 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 Master Developer provided the Community Benefits Report update to the Hunters Point Shipyard Citizens Advisory Committee (CAC) for the period covering October 2018 through June 2019 on March 9, 2020. The Master Developer provided the Report covering July 2019 through December 2019 to the CAC on July 27, 2020. OCII staff will provide the Commission an update on Master Developer's compliance with the Phase 1 CBA, including staff's analysis of compliance, in November 2020, which will continue to illustrate the cumulative impact of the Phase 1 CBA. The Community Benefits Agreement ("CBA") for the Candlestick Point/Hunters Point Shipyard Phase 2 ("CP/HPS2") Project also contains a full community benefits program; however, based on the level of development activity for this phase of the project, no obligations are due at this time. A CP/HPS2 CBA update will be presented to the Commission when full development activity resumes on the project, triggering the obligation.

(Originated by Kasheica McKinney, Assistant Project Manager)

DocuSigned by:

Nadia Sesay
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Executive Director

Attachment 1: Letter to Master Developer on 2018 Quarter 4 and 2019 Quarters 1, 2, 3, and 4
Community Benefits Compliance Report

Attachment 2: 2018 Quarter 4 and 2019 Quarters 1, 2, 3, and 4 Master Developer's Report on
Community Benefits



Attachment 1

450-0202020-014

August 12, 2020

HPS Development Co., LP
Street, Suite 3200
City, CA 94104
Attention: Michael Hochstoeger

Re: 2019 Quarter 3 and 2019 Quarter 4 Community Benefits Report for the Hunters Point Shipyard Phase 1 Disposition and Development Agreements

Dear Michael,

The Office of Community Investment and Infrastructure ("OCII") is in receipt of the 2018 Quarter 4 ("2018 Q4") and 2019 Quarter 1 ("Q1"), Quarter 2 ("Q2"), Quarter 3 ("Q3"), and Quarter 4 ("Q4") Community Benefits Status Reports from HPS Development Co., LP ("Developer").

As you are aware, OCII oversees the implementation of development at Phase 1 of the Hunters Point Shipyard (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").

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 the Phase 1 CBA. However, there is an area that requires Developer action to be in full compliance.

OCII staff has identified one area, Job Training, which the Developer should focus on implementing improvements:

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MAYOR

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Developer Actions Required for Full Compliance

1) Job Training and Employee Assistance Program

Requirement

Under the Phase 1 CBA, the Developer must contribute \$225,000 per year (beginning 2005) to fund community-based organizations ("CBOs") that provide job training services.

Through the end of 2019, the Phase 1 Master Developer has provided a total of approximately \$3,144,858 to over a dozen community based organizations. The Job Training Program has been successful in preparing local workers for the job opportunities available at the Project and outside of the project area, which has achieved significant local workforce participation.

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 contributed \$241,000 for job training and committed to accelerating payments through 2018 to address the shortfall.

2016: The Phase 1 Developer contributed 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 contributions over the next 2 years.

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

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

2018: The Phase 1 Developer contributed approximately \$445,000 on job training and barrier removal to address the shortfall. Since project inception, Developer has contributed approximately \$2,831,622 of the \$2,925,000 obligated for the job training program. Developer has entered into contracts for job training with Young Community Developers and Larkin Street Youth Services to address the remaining \$93,378 shortfall.

2019: The Phase 1 Developer contributed approximately \$313,236 on job training and barrier removal, reducing the shortfall to \$5,142.

Job Training Program - Funding Status through Q4 2019

	Total Through CY 2018
Total Obligation through 2019	\$ 3,150,000
Expended	\$ 3,144,858

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Remaining Expenditure	\$ 5,142
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A full accounting 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.

Sincerely,

Nadia Sesay
Executive Director

Enclosures: 2018 Fourth Quarter and 2019 First, Second, Third and Fourth Quarter Community Benefits Agreement OCII Compliance Audit
Analysis cc: Kasheica McKinney, Lila Hussain, Sally Oerth (OCII)



OCII Community Benefits Agreement Compliance Analysis

October 2018 through December 2019

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
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	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	In Compliance	In Compliance
	c) Technical Assistance Program	In Compliance	In Progress	Master Developer will hire program administrator for the Phase1 CAP program. Lennar terminated the administration contract with Butler Enterprise Group on October 31, 2018.	-	In Compliance	In Compliance	In Compliance	In Compliance	In Compliance
	d) Financial Assistance Program	In Compliance	In Progress	Master Developer will hire a contractor to provide assistance with securing financing and accessing funds through a contractor assistance program. No financial assistance services were offered in Q4 2018, Q1, 2019, or Q2 2019.	-	In Compliance	In Compliance	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 \$537,888 in Q4 of 2018 and \$54,752 in Q1 and Q2 of 2019.	-	In Compliance	In Compliance	In Compliance	In Compliance	In Compliance
Phase 1 § 4	Community Builder Program 30% of private housing developments lots to be offered for development in partnership with Community Builders	In Compliance	In Progress	Developer to provide information regarding the qualifications of Phase 1 Community Builders.	-	In Compliance	In Compliance	In Compliance	In Compliance	In Compliance
Phase 1 § 5	Interim African Marketplace 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	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Phase 1 § 7	Cultural Historic Recognition Program 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	In Compliance	In Compliance
Phase 1 § 7	Business Incubator Space Program 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	In Compliance	In Compliance
Phase 1 § 8	Home Buyer Assistance Program 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 held 71 Homebuyer Workshops from 2005 - 2019.	In Compliance	Partial Compliance	Partial Compliance	Partial Compliance	Partial Compliance
Phase 1 § 9	Job Training and Employee Assistance Program 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 (2005-2018) is \$ 2,925,000. To date, Master Developer has provided a total of approximately \$ 2,831,632. Master Developer has contracted with Young Community Developers for \$380,000; Garden Project for \$35,000 to assist with the purchase of additional equipment; and with Larkin Street Youth Services for \$106,250 to address the previous years' \$415,000 job training shortfall.	Master Developer's job training expenditure total for 2019 was \$313,236. (Dev Q 4 total \$3,144,858)	Partial Compliance	In Compliance	In Compliance	In Compliance	In Compliance
Phase 1 § 10	Local Community Priority Leasing Program 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	In Compliance	In Compliance

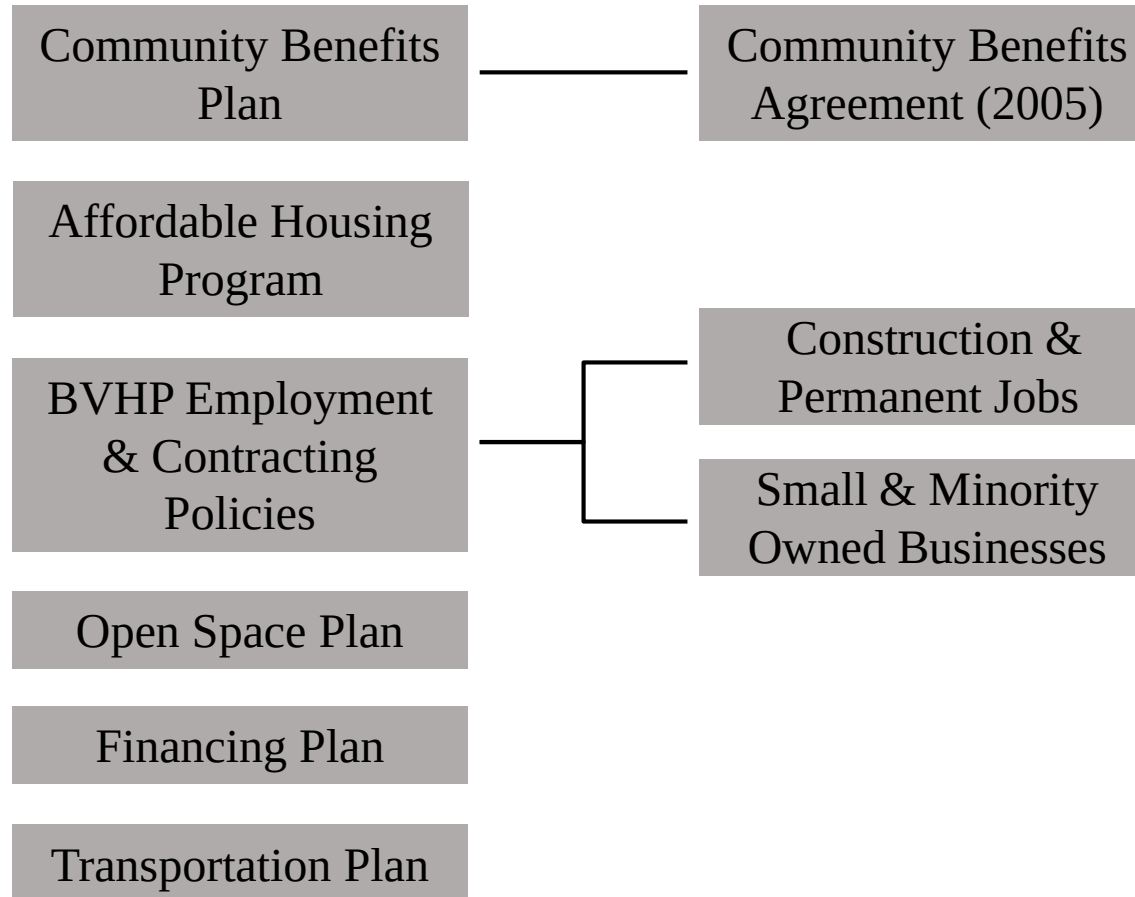
Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Phase 1 § 11	Small Business Assistance Program Master Developer is required to identify opportunities to assist small businesses in BVHP with 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) Contractor events have been placed on temporary hold due until start of Block 48 construction.	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	In Compliance	In Compliance
Phase 1 § 12	Outreach Program 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	In Compliance	In Compliance
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	Master Developer has presented an update of the Community Benefits Report to the BVHP CAC.	–	In Compliance	In Compliance	In Compliance	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	In Compliance	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	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	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	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
	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	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	In Compliance	In Compliance



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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

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Phase 1: Community Benefits

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

*Denotes community benefits carried forward into Phase 2

Direct Expenditures and/or Payments To Date

From Inception thru Q2 2019

DDA – PHASE 1 & 2	
Community Benefits Fund	1,000,000
Community Health and Wellness Contributions	350,000
Construction Assistance Program	1,764,646
Education Improvement Fund	500,000
Interim African Marketplace	192,000
Job Training & Employee Assistance	2,831,622
Outreach Program (incl Homebuyer Assistance)*	1,045,242
Scholarship Fund	500,000
Small Business Assistance Program	11,742
DDA Subtotal:	\$8,195,252
CCBA	
Community First Housing Fund	5,698,000
Workforce Program Funding	2,075,000
Technical Assistance Funding	520,000
CCBA Subtotal:	8,293,000
Grand Total:	\$16,488,252

*Does not include contracts with outreach consultants

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Community Benefits Program Highlights

Q4, Q1 & Q2

- Job training expenditures = \$406,776.50
- Community benefits for home ownership = \$22,500.00
 - San Francisco Housing Development - \$22,500.00
- 281 units being built with community builders on Phase 1 (another *224 anticipated) (includes Block 49 - Pacific Pointe)
- \$2,905,000 in grants made through the Implementation Committee to date (does not include \$1.6M for purchase of 1676-1678 Newcomb)

Development Projects Underway

- HPSY Block 55 East/West (Completing Construction)
- HPSY Block 48 (Design Development and Permitting)
- HPSY Block 52 (Design Development and Permitting)

Development Projects Completed

- HPSY Blocks 50-51, Blocks 53-54, and Welcome Home Center
- HPSY Blocks 56-57
- HPSY 49
- HPSY Regional Parks - Innes Court/Park & Hillpoint Park Overlook
- HPSY Pocket Parks 15-16
- Hilltop Streetscape
- Hillside Infrastructure (anticipated start - end Q3 2018)
- HPSY Block 48 (anticipated start – Q1 2021)
- HPSY Block 52 (anticipated start – Q2 2020)

Phase 1: Housing Units

Block Numbers	Total Units	BMRs
1	224*	TBD
48	253	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

Status Report – Q4, Q1, & Q2 2018

Phase 1 Program: Developer is required to provide a quarterly written status report to OCII and the Hunters Point Shipyard Citizen's Advisory Committee (CAC).

Phase 1 Update: Developer provided an update on the status of the Phase 1 Community Benefits at the March 9, 2020 meeting of the CAC.

Phase 1: Contractor Assistance Program

- **Financial Assistance Program:** No services financial assistance services were offered in Q1 & Q2 2019.
- **Mentorship Program:** The Mentorship Protégé program has been administered by Renaissance Entrepreneurship Center since 2010. More information contained in next slide.
- **OCIP:** Due to limited insurance market capacity during this time, it was not feasible for Phase 1 Master Developer to purchase 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.

Phase 1: Community Builders Program

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

Community Facilities Lots

Phase 1 Program: Developer will provide OCII developable lots for community facilities

- Phase 1: 1.2 acres

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

Job Training and Employee Assistance Program

YCD Job Training Grant - \$175,000.00

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

Third Street Youth Clinic - \$100,000.00

- Program participants are largely African American and Latina youth/young adults from 94124, 94134, and 94132.
- Students have received Mental Health First Aid certification and are learning violence prevention strategies and various career pathways.

Barrier Removal - \$50,000.00

- While not obligated, the barrier removal funding has become an important part of program delivery in D10. During Q1-Q2, barrier removal funds provided support for union dues/initiation fees, driver license reinstatement, commercial license permit fees, phlebotomy technician training, and clipper cards. Reports are attached.

Job Training and Employee Assistance Program - Shortfall

For Phase 1, there is an annual spend requirement for job training of \$225,000.

Shortfall was approximately \$415K for the period 2005-2016, and was being made up in the following manner:

Program	Program Description
The Garden Project	\$35K for additional equipment (paid on 03/15/18)
Young Community Developers Math Academy (New Program)	Second installment of \$126K (paid in Q4 (12/5/18))

Job Training and Employee Assistance Program: Young Community Developers (YCD)

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.

Small Business Assistance Program

- 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.
- 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.
- Developer has begun to hold to which suppliers are invited. As no new contract work is happening on the project at this time, the events have been put on hold temporarily.

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 to complete historic signage program.

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 VDDA's.

- The Down Payment Assistance and First Time Buyer Financing Programs have been working with lenders to provide financing.
- Between 2005 and Q2 2018, there were 71 first time homebuyer informational workshops with a total of 1385 attendees. No workshops were held in Q1/Q2 2019.

Outreach Program

- Developer has committed to have outreach activities through the office of Community Affairs. However, many outreach activities are executed and funded by other departments/teams, including the Construction Assistance Program), Entitlements Team, etc.
- 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.
- 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).

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.

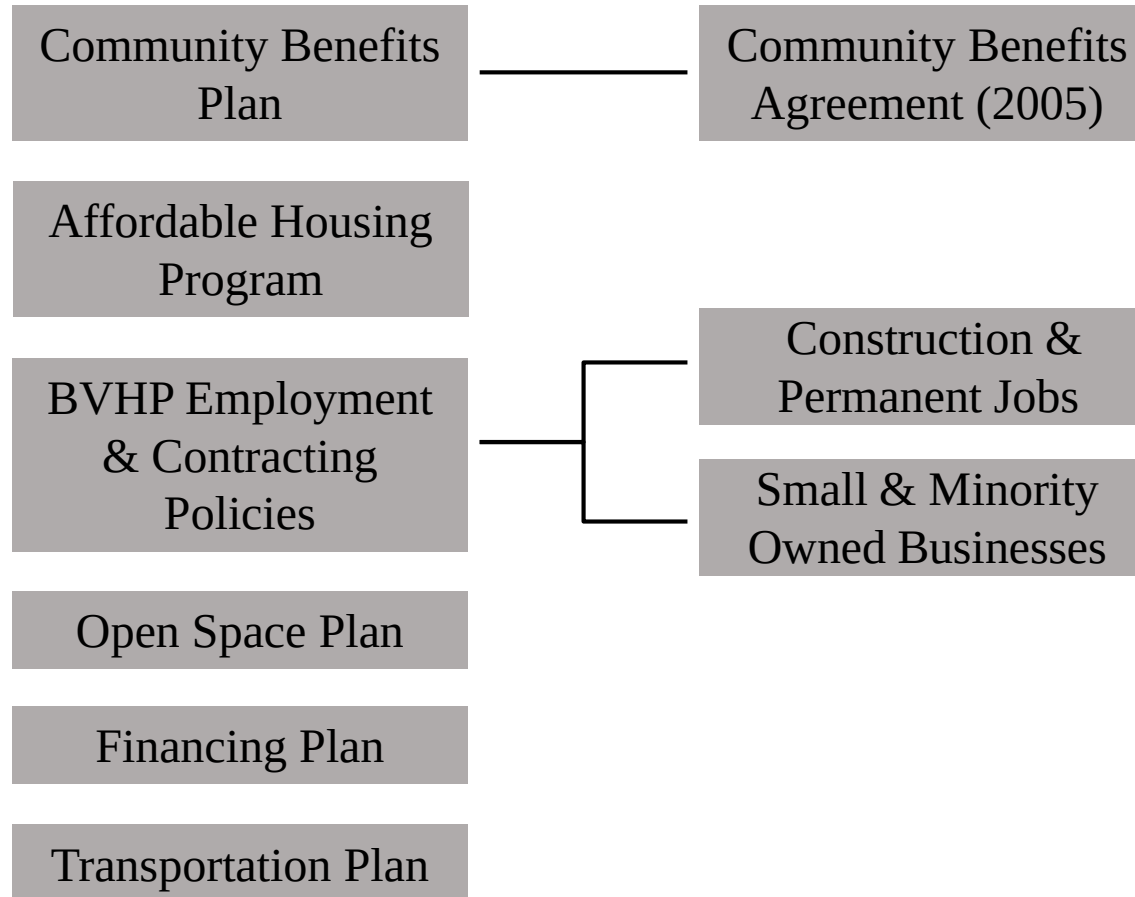
Phase 1 Program: Developer has already contributed \$1 million to the Community Benefit Fund.

- Legacy Foundation - Strategic Plan approved by OCII commission on 02/07/17
- First RFP/Disbursement – Legacy Fund committed \$25K to a Hacker Hub on 3rd Street (Urban Ed Academy)
- Legacy Fund is finalizing the qualifications for the College Living Expense Stipends, Homeownership Down Payment Assistance, and College Scholarships Administration – all part of the next round of community benefit expenditures.

**HPS 1
Community
Benefits
Compliance
Report
Q3 & Q4 2019**

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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
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Scholarship Fund	500,000
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Community Benefits Program Highlights

Q3 & Q4

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Development Projects Underway

HPSY Block 55 East/West (Completing Construction)

HPSY Block 48 (Design Development and Permitting)

HPSY Block 52 (Design Development and Permitting)

HPSY PP 9-13 (Completing Construction)

Development Projects Completed

- HPSY Blocks 50-51, Blocks 53-54, and Welcome Home Center
- HPSY Blocks 56-57
- HPSY 49
- HPSY Regional Parks - Innes Court/Park & Hillpoint Park Overlook
- HPSY Pocket Parks 15-16
- Hilltop Streetscape
- Hillside Infrastructure (anticipated start - end Q2 2020)
- HPSY Block 48 (anticipated start – 2021)
- HPSY Block 52 (anticipated start – Q3 2020)

Phase 1: Housing Units

Block Numbers	Total Units	BMRs
1	224*	TBD
48	253	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

Status Report – Q3 & Q4 2019

Phase 1 Program: Developer is required to provide a quarterly written status report to OCII and the Hunters Point Shipyard Citizen's Advisory Committee (CAC).

Phase 1 Update: Developer provided an update on the status of the Phase 1 Community Benefits to the CAC on July 27, 2020.

Phase 1: Contractor Assistance Program

- **Financial Assistance Program:** No services financial assistance services were offered in Q3 & Q4 2019.
- **Mentorship Program:** The Mentorship Protégé program has been administered by Renaissance Entrepreneurship Center since 2010. More information contained in next slide.
- **OCIP:** Due to limited insurance market capacity during this time, it was not feasible for Phase 1 Master Developer to purchase 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.

Phase 1: Community Builders Program

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
54	BAMEC	12

Community Facilities Lots

Phase 1 Program: Developer will provide OCII developable lots for community facilities

- Phase 1: 1.2 acres

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

Job Training and Employee Assistance Program

YCD Job Training Grant - \$175,000.00

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

Third Street Youth Clinic - \$100,000.00

- Program participants are largely African American and Latina youth/young adults from 94124, 94134, and 94132.
- Students have received Mental Health First Aid certification and are learning violence prevention strategies and various career pathways.

Barrier Removal - \$50,000.00

- While not obligated, the barrier removal funding has become an important part of program delivery in D10. During Q3-Q4, barrier removal funds provided support for union dues/initiation fees, driver license reinstatement, commercial license permit fees, phlebotomy technician training, and clipper cards. Reports are attached.

Job Training and Employee Assistance Program - Shortfall

For Phase 1, there is an annual spend requirement for job training of \$225,000.

Shortfall was approximately \$415K for the period 2005-2016, and was being made up in the following manner:

Program	Program Description
Young Community Developers Math Academy (New Program)	Third installment of \$128K (paid in Q4 (12/2019))

Job Training and Employee Assistance Program: Young Community Developers (YCD)

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.

Small Business Assistance Program

- 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.
- 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.
- Developer will institute supplier workshops through the CAP. As no new contract work is happening on the project at this time, the events have been put on hold temporarily.

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 to complete historic signage program.

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 VDDA's.

- The Down Payment Assistance and First Time Buyer Financing Programs have been working with lenders to provide financing.
- Between 2005 and Q2 2018, there were 71 first time homebuyer informational workshops with a total of 1385 attendees. No workshops were held in Q3/Q4 2019.

Outreach Program

- Developer has committed to have outreach activities through the office of Community Affairs. However, many outreach activities are executed and funded by other departments/teams, including the Construction Assistance Program), Entitlements Team, etc.
- 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.
- 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).

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: Developer has already contributed \$1 million to the Community Benefit Fund.

- Legacy Foundation - Strategic Plan approved by OCII commission on 02/07/17
- First RFP/Disbursement – Legacy Fund committed \$25K to a Hacker Hub on 3rd Street (Urban Ed Academy)
- Legacy Fund is finalizing the qualifications for the College Living Expense Stipends, Homeownership Down Payment Assistance, and College Scholarships Administration – all part of the next round of community benefit expenditures.