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OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

113-0012026-002

Agenda Item **No. 5(f)**
Meeting of October 20, 2026

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Workshop on the July 2025– June 2026 Report on OCII Small Business Enterprise and Local Hiring Goals and Practices

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure ("OCII"), as Successor Agency to the former Redevelopment Agency of the City and County of San Francisco ("Former Agency"), has a long history of promoting economic opportunity in contracts for local and small professional design and construction service firms and in the workforce of contractors performing work on OCII-assisted contracts. As a public entity separate from the City and County of San Francisco ("City"), OCII implements the Former Agency's Equal Opportunity Programs ("EOP") that are similar to, but not the same as, City policies. The EOP policies survived redevelopment dissolution and are enforced by OCII because they were embedded in OCII's enforceable obligations or contracts approved by the California Department of Finance. They are comprehensive and mirror City ordinances as detailed below.

OCII EOP Policy	Similar City Policy
Small Business Enterprise ("SBE") Policy (50% goal, First Consideration for Project Area SBEs, for OCII-assisted projects)	Chapter 14B Ordinance: Local Business Enterprise and Non-discrimination in Contracting Ordinance
Nondiscrimination in Contracts and Equal Benefits Policy	Chapter 12B/12C Ordinances: Nondiscrimination in Contracts
Health Care Accountability Policy	Health Care Accountability Ordinance
Minimum Compensation Policy	Minimum Compensation Ordinance
Construction Workforce (50% local hire goal with First Consideration for Project Area residents, for OCII-assisted projects)	Mandatory Local Construction Hiring Ordinance (30% on publicly funded contracts and private projects on public land)
Prevailing Wage Policy (Labor Standards) (required on OCII-assisted projects)	Prevailing Wage (For public works contracts, i.e., construction-related financed with public assistance)

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The focus of this report is on OCII's SBE and Construction Workforce policies, pertaining to projects under OCII's jurisdiction during the period of July 1, 2025 through June 30, 2026 ("FY 25-26"). Specifically, the report centers on SBE participation outcomes for projects that entered into contracts during FY 25-26 and Construction Workforce hiring outcomes for projects with active construction during FY 25-26. Under OCII's SBE and Construction Workforce policies, OCII establishes an ambitious good faith 50% goal for SBE participation and local Construction Workforce hours on contracts that it oversees.

Contractors are required to perform good faith efforts to meet these goals, and OCII staff works closely with each developer and/or their lead architects and general contractors to monitor these good faith efforts. Under the SBE Policy, the ability to meet the 50% goal is dependent in part on (1) the availability of qualified SBEs capable of providing the goods or services required by the contract; and (2) the availability of SBEs who provide price quotes that are reasonable and do not exceed competitive levels.

During FY 25-26, $116.9 million dollars in professional service and construction contracts were awarded on the following OCII projects:

Contracts

1. Mission Bay South ("MBS") Block 4E, Phase 1 and Phase 2, Affordable Housing Development
2. MBS Block 41/43-7 (1450 Owens) Gladstone, Tenant Improvement
3. MBS Block 9, Mid-Block Break, Infrastructure
4. Transbay Block 2E Childcare Center, Tenant Improvement
5. Hunters Point Shipyard Site Office Management

Workforce

During FY 25-26, OCII oversaw workforce compliance on the following projects that were in active construction:

1. Transbay Block 3E, Clementina Street, Infrastructure
2. Transbay Block 2E, Affordable Housing Development
3. Transbay Block 2W, Affordable Housing Development
4. MBS Block 9, Mid-Block Break, Infrastructure
5. MBS Block 41/43-7 (1450 Owens) Gladstone Tenant Improvement
6. MBS Stormwater Pump Station 3, Infrastructure

Additionally, at the start of FY 25-26, the following projects were in closeout and recorded nominal workforce hours:

1. Hunters Point Shipyard Blocks 52/54, Affordable Housing Development
2. Hunters Point Shipyard Blocks 56, Affordable Housing Development
3. Mission Bay South Park 19

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Joint Ventures (Contracting)

For reporting purposes, SBE participation includes contract dollars credited through Joint Ventures and association agreements. Under OCII's SBE Joint Venture program, where an SBE and a non-SBE partner, and the SBE completes at least 35% of the work while receiving a proportional share of the contract dollars, 100% of the contract value counts toward the project's SBE goal. This Joint Venture policy applies to construction contracts and professional service contracts and aims to incentivize partnerships between SBE and larger firms to promote SBE participation, foster business growth, and build capacity within the SBE community.

Overall, both professional services and construction contracts,[1] initiated during FY 25-26 surpassed the 50% SBE participation goal. For professional service contracts 57.9% of total awards were credited to SBEs, representing work on the Gladstone 1450 Owens Tenant Improvement, Infrastructure Engineering and Subdivision Mapping Support Services for HPS1 and CP/HPS2, and a management contract for OCII's Hunters Point Shipyard Site Office.

For construction contracts, 52.2% of total awards were credited to SBEs, representing street improvements on the MBS Block 9 Midblock Break; Mechanical, Electrical, Plumbing and Fire Design Build contracts on MBS 4E Phase 1 and Phase 2; and tenant improvements including Transbay Block 2E Childcare Center and Phase 1 of Gladstone 1450 Owens construction. (see Table 1)

Table 1 - July 2025 – June 2026 Summary of Contract Awards and Commitments by Work Type

FY 25-26 Summary	Total Amount	SBE	SF SBE	SBE %	SF SBE %
Professional Services	$4,912,345	$2,845,260	$2,727,875	57.9%	55.5%
Construction & Supplies	$111,953,471	$58,474,912	$55,164,935	52.2%	49.3%
Total	$116,865,816	$61,320,172	$57,892,810	52.5%	49.5%

During FY 25-26, 367,123 work hours were performed on OCII led developments, of which San Francisco residents worked 112,589 hours, or 30.7% of total hours, and earned approximately 6.5 million dollars in wages.

SBE CONTRACTING

Background

In November 2004 and in accordance with State law, the Former Agency adopted the SBE Policy and replaced its Minority and Women Business Enterprise ("W/MBE") Policy, which provided a preference for San Francisco-based businesses. The SBE Policy establishes a robust good faith 50% SBE

[1] The ability to break out supplier information in construction contracts remains difficult since contractors incorporate supplies into their basic bids. Therefore, contract amounts for construction and supplies are reported together. Staff encourage the utilization of SBE suppliers, which helps to increase overall participation.

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participation goal on all OCII-assisted contracts. Pursuant to the SBE policy, OCII and all OCII assisted contractors must use good faith efforts to award at least 50% of contracts to SBEs. The performance standard for the 50% SBE goal is measured by adherence to good faith efforts, as prescribed in OCII's SBE Policy and as detailed in **Attachment C.**

The objective of the SBE Policy is to provide opportunities for small businesses, particularly San Francisco-based SBEs. The SBE Policy provides "first consideration" and priority to local SBEs for contracting opportunities. Specifically, pursuant to the SBE Policy, a developer or contractor shall give first consideration in the award of any OCII-assisted contracts in the following order: (1) Project Area SBEs, (2) Local SBEs (outside an OCII Project Area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). Non-local SBEs are utilized to satisfy participation goals if Project Area SBEs or Local SBEs are neither available nor qualified, or if their bids or fees are significantly higher than those of non-local SBEs.

OCII's SBE Policy encourages proactive measures to engage SBEs. These measures include incentives like offering 100% SBE credit for engaging SBEs in construction joint ventures and professional service associations (such as associate architects), which in turn foster capacity building among SBEs. OCII's SBE Policy applies to all OCII-assisted contracts, including agreements for development, ground leases, and loan agreements, among others. OCII's SBE program is designed to encourage SBE participation by requiring developers, general contractors, and their subcontractors to perform good faith efforts to include SBEs in OCII-assisted contracts or agreements, and any subsequent agreements between the developer and its contractors or consultants.

The SBE Policy allows for the averaging of an SBE's gross receipt over its immediate prior five years to determine business size for purposes of qualifying as an SBE. To prevent marketplace confusion and improve program administration, OCII amended the SBE size standards to conform to the City's Local Business Enterprise ("LBE") Micro and Small LBEs Program.[2] OCII will monitor the City's LBE Program size standards for additional opportunities to harmonize elements of OCII's SBE Policy. See OCII SBE size standards below:

Industry	OCII SBE Size Standard
Construction Contractors	$24,000,000
Specialty Construction Contractors	$14,000,000
Suppliers (goods/materials/ equipment and general services)	$12,000,000
Professional Services	$5,000,000
Trucking	$5,000,000

[2]The City certifies Local Business Enterprises in three categories (ranked by smallest to largest gross receipts): (1) Micro-LBE, (2) Small-LBE, and (3) SBA-LBE. In March 2022, the OCII amended the SBE Policy to harmonize the size thresholds of the City's Small-LBE.

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Since dissolution of the Former Agency in 2012, OCII has overseen the award of nearly $6.1 billion in contracts with nearly $2 billion or 32.7% credited to SBEs.[3] Of this amount approximately $1.2 billion has been credited to San Francisco-based SBEs representing 18.9% of contract awards. M/WBEs have also participated in a significant manner with over $1 billion in contracts credited or 17.4% of all awards, reflecting the ethnic and gender diversity of the region.

OCII staff work closely with developers and contractors in their contracting efforts, as summarized below:

- Meets with developers and contractors to walk through OCII's contracting process and good faith efforts at the onset of a project.
- Reviews solicitation documents including requests for proposals and advertisements prior to release; assists with the release and publication of solicitations.
- Reviews scopes of work to maximize unbundling opportunities; recommends specific scopes for unbundling.
- Attends pre-bid and pre-solicitation meetings; and attends interviews, as applicable.
- Reviews proposal responses and bid summaries to verify SBE eligibility; ensures first consideration has been given to Project Area and San Francisco-based businesses.
- Reviews and approves teaming arrangements between SBE and non-SBE firms when proposed; and suggests further solicitation efforts or teaming arrangements when SBE goals are not met.
- Assesses whether a contractor's efforts were appropriate, sufficient, and of the quality, quantity, and intensity that should reasonably be expected to determine whether good faith efforts have been made.
- Assesses whether negotiations were conducted in good faith, such as offering opportunities for a partial scope and not rejecting outright a bid for partial work.
  Meets with local small business affinity groups representing the SBE/LBE and Project Area community and small business support organizations to understand the concerns and needs of the local small business contracting community and inform best practices.

Pursuant to the SBE Policy, OCII encourages developers and contractors to increase opportunities for SBEs through individual scopes of work and/or joint venture or association arrangements in furtherance of the 50% SBE goal. For this report, OCII staff looked at projects and contracts that were reviewed and approved by the Commission or awarded by developers and their contractors during FY 25-26.

Annual SBE Contracting and Market Trends

During the FY 25–26 reporting period, construction contracts were awarded for the MBS Block 9 Midblock Break, Transbay Block 2E Childcare Center, MBS 4E Phase 1 and Phase 2 Affordable Housing Development, and the Gladstone 1450 Owens Tenant Improvements, totaling close to $112

[3] OCII will recognize JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in the JV or Association agreement and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. (see also OCII SBE Policy, section III(e)

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million. Meanwhile, OCII oversaw professional services contracts totaling close to $4.9 million for the Gladstone 1450 Owens Tenant Improvements, the Hunters Point Shipyard Site Office management, and HPS1 and CP/HPS2 Infrastructure Engineering Support Services and Subdivision Mapping. These contracting efforts highlight OCII's continued role in advancing development as the regional construction sector works to regain pre-pandemic momentum.

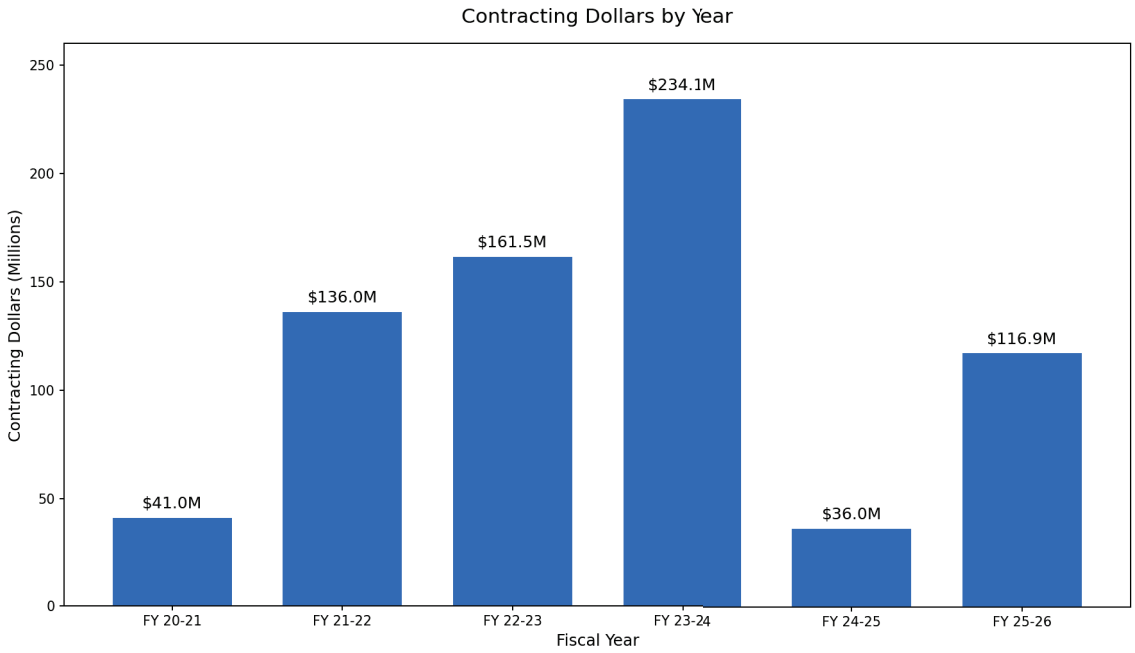
The San Francisco construction and development sector continues to recover from the impacts of the COVID 19 pandemic, which began in 2020 when contracting activities declined sharply. From FY 20-21 through FY 23-24, OCII saw a steady increase in the value of contracts reported each fiscal year. In FY 24-25, contracting activity slowed due to the completion phase of active developments and also the timing of buyouts for large, multiyear projects. Large scale developments remain active over multiple fiscal years, but contracting activity gets reported on in the fiscal year the contracts are procured. In FY 24-25, OCII procurements were for predevelopment design related professional service contracts for Mission Bay 4E and small-scale infrastructure and site maintenance contracts.[4] In FY 25-26, contract awards increased, driven by substantial construction procurements for MBS 4E Phase 1 and Phase 2, and construction procurements for several tenant improvements and infrastructure projects. Contracting trends for the last six fiscal years are articulated in more detail below and in Chart 1:

- In **FY 20-21** (July 1, 2020 through June 30, 2021), with the impact of the pandemic beginning in March 2020, total contracts awarded fell to $41 million, representing a decline of 55% from the prior year.
- In **FY21-22** (July 1, 2021 through June 30, 2022), contracting activity began to recover and contract awards increased to $136 million, representing an increase of $95 million or 231.7% over the prior year.
- In **FY 22-23** (July 1, 2022 through June 30, 2023), contracts increased to $161.5 million, an increase of approximately $25.5 million or 18.8% over the prior year.
- In **FY 23-24** (July 1, 2023 through June 30, 2024), contracting activity increased again to approximately $234.1 million, an increase of approximately $72.6 million or 45.0% over the prior year.
- In **FY 24-25** (July 1, 2024 through June 30, 2025), contracting activity decreased to approximately $36 million, a decrease of approximately $198 million or -84.6% from the prior year
- In **FY 25-26** (July 1, 2025 through June 30, 2026), contracting activity increased to 116.9 million, an increase of approximately $81 million or 224.7% over the prior year.

[4] During FY 24-25, construction contracts included two infrastructure projects Mission Bay Stormwater Pump Station No.3 and Transbay Clementina Street Infrastructure collectively totaling $24.7 million. During FY 24-25, professional service contracts included Mission Bay Block 4 East Phase 1 and Phase 2 design consultants; and maintenance services for Community Facilities District 1, collectively, totaling $11.3 million.

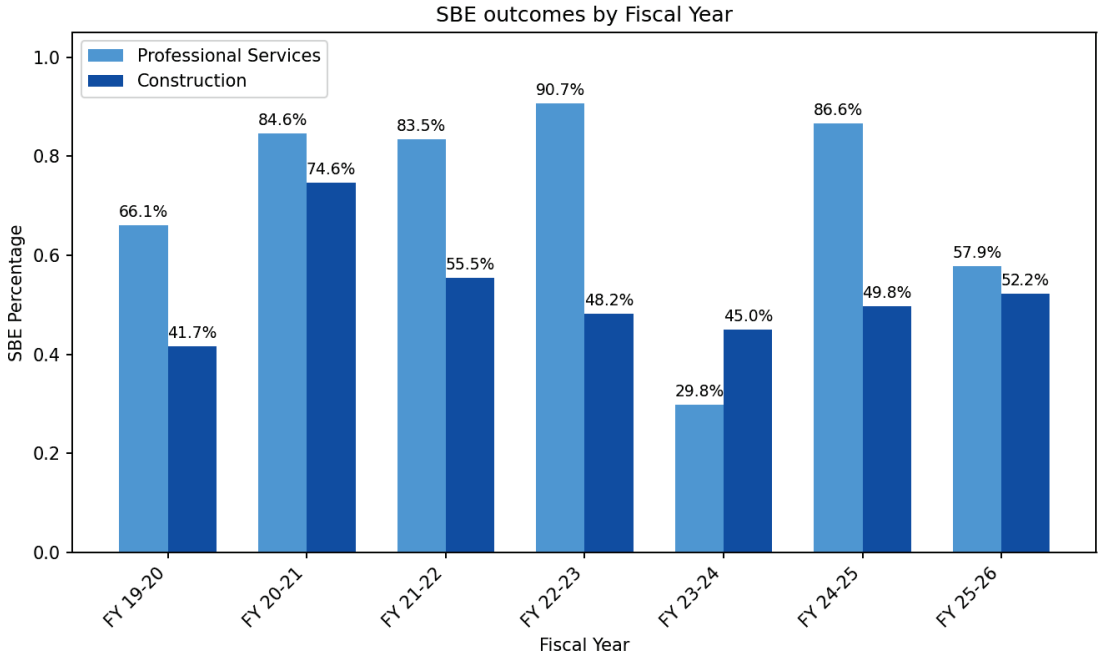
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Chart 1 – OCII Contract Awards for FY 20-21 through FY 25-26



Annual SBE participation percentages for professional services and construction contracts for the past seven fiscal years are shown in Chart 2.

Chart 2 – Annual SBE Percentages for FY 18-19 through FY 24-25



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Minority and Women Businesses[5]

While OCII does not have M/WBE goals, OCII encourages developers to report the below data on small business participation. See the breakdown and Table 2 below:

- In FY 22-23, $62.4 million or 38.6% of contracts or were credited to M/WBEs.
- In FY 23-24 $77.2 million or 33.0% of contracts or were credited to M/WBEs.
- In FY 24-25, $12.2 million or 40.9% of contracts were credited to M/WBEs.
- In FY 25-26, $23.1 million or 19.8% of contracts were credited to M/WBEs.

Notably in FY-25-26, when accounting for all contract types M/WBE participation was less than recent years, however, 80.7% of professional services contracts were credited to M/WBE firms. OCII staff will continue to devote time, attention, and resources to ensure equal opportunity in contracting.

Table 2 – Awards and Commitments by Self-Reported Minority and Gender Status

FY 25-26 Summary	Total Amount	M/WBE Amount	M/WBE %
Professional Services	$4,912,345	$3,962,875	80.7%
Construction & Supplies	$111,953,471	$19,137,883	17.1%
Total	$116,865,816	$23,100,758	19.8%

Please refer to **Attachments A-1** for individual project details for FY 25-26 and a cumulated total, respectively.

CONSTRUCTION WORKFORCE

When OCII enters into development agreements, developers and their contractors must utilize good-faith efforts to hire Project Area and San Francisco residents. The Construction Workforce hiring goal is 50 percent. Contractors must also adhere to prevailing wage rate requirements pursuant to OCII's Prevailing Wage Provisions (Labor Standards) which apply to the construction, alteration, demolition, installation, repair, or maintenance of OCII-assisted improvements. Since dissolution in 2012, over 59,540 workers have performed over 19.8 million construction hours on OCII-administered projects. San Francisco residents performed over 4.0 million hours or 20.3% of the total, garnering nearly $178 million in wages.

[5] Notably, the available information on gender and/or ethnicity is incomplete self-reported and unverified and therefore may be partially unreliable. In addition, the ethnic and gender data are presented for firms where such data is publicly available and has not been screened for economic disadvantaged status meeting OCII SBE size standards. Nevertheless, the information gathered provides an approximate overview of minority and gender data for informational purposes. At the request of the Commission, OCII staff gathers minority and women ownership data on the make-up of SBE firms participating in OCII-assisted contracts. OCII staff gather data from the City's General Services Agency's Contract Monitoring Division and several publicly available databases including:

- California Unified Certification Program database of DBEs (disadvantaged business enterprises)
- California Public Utilities Commission Supplier Clearinghouse of W/MBEs (women and minority owned firms)
- U.S. General Services Administration (GSA) System for Award Management (SAM.gov)
- U.S. Small Business Administration (SBA) Dynamic Small Business Search database (http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm)

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During FY 25-26, 2,082 workers performed over 367,123 work hours on OCII projects with active construction, of which 112,589 hours (or 30.7% of the total) were earned by San Francisco residents for a total of $6.5 million in wages. This is a 7.7% increase from last fiscal year, where San Francisco workers represented 23.0%. (See Table 3)

Table 3 – Construction Workforce Comparison FY 22-23 through FY 25-26

	FY 25-26	FY 24-25	FY 23-24	FY 22-23
Local Hours	112,589	136,348	158,587	62,987
Total Hours	367,123	591,890	606,713	274,883
SF % of Total Hours	30.7%	23.0%	26.1%	22.9%

While FY 25–26 saw a noticeable increase in the share of hours worked by San Francisco residents, there was a decrease in total construction workforce hours. Specifically, the total number of hours worked on OCII projects decreased from 591,890 in FY 24–25 to 367,123 in FY 25-26. Similarly, 499 San Francisco residents worked on OCII projects in FY 25–26, which is 276 fewer workers than 775 in FY 24-25.

This reduction in workforce can be attributed in part to the closeout of four significant affordable housing projects. Notably Hunters Point Shipyard 52/54 and Hunters Point Shipyard 56 were substantially complete at the start of FY 25-26 and reported nominal hours. Transbay Block 2E and Transbay Block 2W wound down towards the end of FY 25-26. Construction was completed on Transbay Block 2W in July 2026 and completion of Transbay Block 2E is expected in October 2026. Workforce activity in FY 25-26 was substantially driven by infrastructure and tenant improvements including Transbay Block 3E Clementina Street Infrastructure, MBS Block 9 Midblock Break Infrastructure, MBS Stormwater Pump Station Infrastructure, and MBS Blocks 41/43 Gladstone Tenant Improvement at 1450 Owens.

Office of Economic and Workforce Development Services

In 2013, following the 2012 dissolution of the Former Agency, OCII entered a Memorandum of Understanding (“MOU”) with City’s Office of Economic and Workforce Development (OEWD) for workforce compliance services to assist in the enforcement and monitoring of contractor’s good faith efforts related to local hiring requirements. CityBuild, a division of OEWD that provides training, referrals, and job placement services in the construction trades for San Francisco residents assumed responsibility for workforce services under the MOU. As an agency, CityBuild continues to play an integral role in supporting OCII’s workforce efforts.[6]

[6] OEWD/CityBuild fund Mission Hiring Hall, the A. Philip Randolph Institute, and Young Community Developers to conduct outreach and recruit residents in the Southeast community, specifically ZIP codes 94124, 94134, and 94107. These ZIP codes fall within OCII project areas, and targeted outreach in these neighborhoods helps connect OCII project-area residents to CityBuild training and apprenticeship opportunities. These community-based organizations also provide case management, barrier removal, and supportive services to help participants succeed in their careers.

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In accordance with the MOU, OCII works with CityBuild to support day-to-day construction workforce compliance on active OCII projects in furtherance of OCII's 50 percent local hiring goal. CityBuild's work includes coordinating preconstruction meetings, working with contractors to support worker requests, and referring out-of-work residents to opportunities on OCII projects. During active construction, OCII Contract Compliance, CityBuild, and general contractors meet regularly to assess good-faith efforts and progress towards the 50% local hiring goal.

Matching local workers with opportunities is among CityBuild's core functions. CityBuild supports this by maintaining a pre-screened list of local tradesmen and women who need job placement. In addition, CityBuild operates an Academy that strengthens the local construction workforce pipeline by providing comprehensive pre-apprenticeship and construction training to low-income San Francisco residents seeking entry into the trades.

In FY 25–26, CityBuild completed two training cycles and graduated 57 participants, with 49 placed into union apprenticeship programs, resulting in an 86% placement rate. This reflects an increase from 81.5% in FY 24–25. OCII and CityBuild work collaboratively to place local workers on OCII projects, including CityBuild graduates entering apprenticeship opportunities in support of local hiring goals. In FY 25–26, OEWD staff placed 40 local workers on OCII projects, including Transbay Block 2E and 2W affordable housing projects, and the MBS Stormwater Pump Station, with 16 of these placements being CityBuild Academy graduates.

OCII and OEWD monitor construction workforce hiring and prevailing wage compliance through the web-based monitoring and reporting system, LCPtracker, Inc. Contractors and subcontractors are required to submit certified payroll reports through this system which tracks wages and hours by trade for all workers on OCII projects. The system also tracks employee information such as residence zip code and self-reported ethnic and gender data. A detailed list of the measures that OCII and CityBuild utilize are in **Attachment D**.

Please refer to **Attachment E**: Citywide Local Hiring Trends, for cross-departmental local hiring data in San Francisco for the 2025 calendar year.

OCII Trainee Program

As part of its implementation of the SBE Policy, OCII requires certain developers and contractors to enter into an SBE Agreement requiring, among other things, trainee participation. In particular, the SBE Agreement states that, "there is a trainee hiring goal for all design professionals (architects, engineers, planners, and environmental consultants) on contracts or subcontracts over $100,000. The trainee hiring goal requires architects, engineers and other design professionals only to hire qualified San Francisco residents as trainees." (Attachment to SBE Policy at page 1). In partnership with OEWD, OCII administers an Architecture and Engineering Trainee Hiring Program ("Trainee Program") to help consultants on OCII projects meet trainee hiring obligations. The Trainee Program provides aspiring design professionals living or studying in San Francisco with professional training opportunities with

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consultants on OCII projects. Past participating employers have included architecture, engineering, environmental, and construction management firms, as well as developers.

As a long-standing Trainee Program partner, OEWD works with OCII to deepen stakeholder relationships and support programmatic funding streams. Meanwhile, Japanese Youth Community Center ("JCYC") serves as the program's CBO provider and manages day-to-day operations during active cycles. JCYC's role includes facilitating student placements, acting as a third-party employer, providing as-needed support services, and coordinating professional development trainings.

In FY 25–26, the Trainee Program completed its 11th cycle, with ten student placements. Placements included five architectural interns, two landscape architectural interns, two construction management interns, and one project management intern placed with an affordable housing developer. Sponsoring employers were recruited from active OCII developments, including MBS Block 4E, MBS Park Commons/Active Use Park, and Transbay Block 4 West.

In addition to hands-on work experience, the Trainee Program offers a professional development component consisting of weekly workshops designed to support comprehensive career growth. For the 2026 Program Cycle, workshop topics included Finances; Resume and Portfolio Review; Professional Vocabulary and Public Speaking; Community, Advocacy, and Inclusiveness; and Know Your Rights and Licensure Talk.

Professional development seminars were facilitated by JCYC, with guest speakers from sponsoring employers, OCII staff, and industry stakeholders. Notably, two OCII staff members participated in a Design Charrette this cycle, joining architects from participating firms to provide feedback on student design projects. Interns also attended a series of site visits, including an engineer-led tour of the Chase Center; a visit to the architecture firm Solomon Cordwell Buenz; and a walking tour of Transbay led by the OCII Transbay Project Manager, followed by a fireside chat focused on AI and design.

Since its inception in 2016, the Trainee Program has placed 106 students at 46 firms, establishing a critical pipeline for San Franciscans pursuing careers in the design field. Trainee Program staff also engage regularly with stakeholders at local colleges, including City College of San Francisco and San Francisco State University, to strengthen the student pipeline. Through interdepartmental collaboration, thoughtful program design, and strong stakeholder relationships, the Trainee Program continues to create a pathway for the next generation of design professionals.

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Future Projects

Looking ahead, OCII anticipates several affordable housing projects to begin construction over the next few years. MBS 4E, a substantial two tower affordable housing high-rise development offering 398 new homes, is scheduled to begin construction on Phase I in 2027, and on Phase II in 2028. Additionally, Transbay Block 4 West, a 314-unit affordable housing development awarded to Mercy Housing and Young Community Developers in FY 25-26, is anticipated to begin construction in Fall 2028. Finally, in July 2026, OCII released a Developer RFP for Candlestick Point North Block 7, and construction is anticipated to commence in FY 28-29. As these projects advance, each project is expected to generate opportunities for San Francisco businesses and residents.

(Originated by Maria Pecot, Contract Compliance Supervisor and Julia Hernandez, Contract Compliance Specialist II)

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Executive Director

Attachment A-1: FY 25-26 SBE Dollars by Project Summary Report
Attachment B-1: FY 25-26 Work Force Summary Report
Attachment C: Good Faith Efforts (SBE Policy)
Attachment D: Workforce Compliance Measures
Attachment E: Citywide Local Hiring Trends

Annual OCII SBE Dollars by Project Summary

(Contracts awarded between 07/01/2025 through 06/30/2026)

ATTACHMENT A-1

Project Area / Project	Project Type	Housing Type	Sponsor	General Contractor	Units Total	Units Affordable	Status	Completion Date	Amount	Figures are based on SBE Credits: SBE Goal Credit	SF-SBE	Informational Purposes Only: MBE	WMBE	WBE	SBE Participation
Project Status: In Construction															
Mission Bay															
Gladstone 1450 Owens Tenant Improvement: Construction (Construction)	Commercial Retail Development	n/a	Gladstone Institutes	Truebeck Construction	n/a	n/a	In Construction		34,753,399	8,416,800 *24.2%*	5,508,795 *15.9%*	3,235,403 *9.3%*	0 *0.0%*	1,214,892 *3.5%*	7,956,600 *22.9%*
MB 4E Phase 1 Construction MEPF (Construction)	Affordable Housing	Rental - Very Low Income (Supportive Homeless Vets w/ Family Rental)	Curtis Development	Swinerton Rubecon JV	163	163	In Construction		33,272,178	20,155,505 *60.6%*	20,155,505 *60.6%*	5,753,919 *17.3%*	0 *0.0%*	0 *0.0%*	10,794,474 *32.4%*
MB 4E Phase 2 Construction MEPF (Construction)	Affordable Housing	Rental - Very Low Income (Supportive Homeless Vets w/ Family Rental)	Curtis Development	Swinerton Rubecon JV	233	233	In Construction		37,200,295	26,002,079 *69.9%*	26,002,079 *69.9%*	6,313,405 *17.0%*	0 *0.0%*	0 *0.0%*	13,204,441 *35.5%*
Mission Bay Block 9 MidBlock Break (Construction)	Infrastructure	n/a	Mission Bay Development Group	Townsend Management	n/a	n/a	In Construction		3,086,847	2,724,847 *88.3%*	2,724,847 *88.3%*	1,951,156 *63.2%*	0 *0.0%*	0 *0.0%*	2,724,847 *88.3%*
Subtotal									**108,312,719**	**57,299,231** ***52.9%***	**54,391,226** ***50.2%***	**17,253,883** ***15.9%***	**0** ***0.0%***	**1,214,892** ***1.1%***	**34,680,362** ***32.0%***
Summary for Project Area = Mission Bay									**108,312,719**	**57,299,231** **52.9%**	**54,391,226** **50.2%**	**17,253,883** **15.9%**	**0** **0.0%**	**1,214,892** **1.1%**	**34,680,362** **32.0%**
Transbay															
Transbay Block 2E Childcare Center (Construction)	Commercial Building Construction	n/a	Mercy Housing	Swinerton	n/a	n/a	In Construction		3,638,352	1,175,681 *32.3%*	773,709 *21.3%*	660,358 *18.1%*	8,750 *0.2%*	0 *0.0%*	951,932 *26.2%*
Subtotal									**3,638,352**	**1,175,681** ***32.3%***	**773,709** ***21.3%***	**660,358** ***18.1%***	**8,750** ***0.2%***	**0** ***0.0%***	**951,932** ***26.2%***
Summary for Project Area = Transbay									**3,638,352**	**1,175,681** **32.3%**	**773,709** **21.3%**	**660,358** **18.1%**	**8,750** **0.2%**	**0** **0.0%**	**951,932** **26.2%**
TOTAL FOR IN CONSTRUCTION PROJECTS									**111,951,071**	**58,474,912** ***52.2%***	**55,164,935** ***49.3%***	**17,914,241** ***16.0%***	**8,750** ***0.0%***	**1,214,892** ***1.1%***	**35,632,294** ***31.8%***
Project Status: In Design															
Hunters Point Shipyard/ Candlestick Point															
HPS1 and CP/HPS2 Infrastructure Engineering Support Services and Subdivision Mapping (Professional Svc)	Infrastructure	n/a	OCII	Hollins Consulting	n/a	n/a	In Design		1,300,000	65,000 *5.0%*	65,000 *5.0%*	1,300,000 *100.0%*	0 *0.0%*	0 *0.0%*	65,000 *5.0%*
Subtotal									**1,300,000**	**65,000** ***5.0%***	**65,000** ***5.0%***	**1,300,000** ***100.0%***	**0** ***0.0%***	**0** ***0.0%***	**65,000** ***5.0%***
Summary for Project Area = Hunters Point Shipyard/ Candlestick Point									**1,300,000**	**65,000** **5.0%**	**65,000** **5.0%**	**1,300,000** **100.0%**	**0** **0.0%**	**0** **0.0%**	**65,000** **5.0%**
Mission Bay															
Gladstone 1450 Owens Tenant Improvement (Professional Svc)	Commercial Building Construction	n/a	Gladstone Institute	Truebeck Construction	n/a	n/a	In Design		2,812,345	1,980,260 *70.4%*	1,862,875 *66.2%*	134,911 *4.8%*	82,949 *2.9%*	1,645,015 *58.5%*	911,000 *32.4%*
Subtotal									**2,812,345**	**1,980,260** ***70.4%***	**1,862,875** ***66.2%***	**134,911** ***4.8%***	**82,949** ***2.9%***	**1,645,015** ***58.5%***	**911,000** ***32.4%***

Note: SF-SBE, MBE, WMBE, and WBE figures are based on SBE Credits; SBE Participation are actuals

Project Area / Project	Project Type	Housing Type	Sponsor	General Contractor	Units Total | Affordable	Status	Completion Date	Amount	Figures are based on SBE Credits: SBE Goal Credit	SF-SBE	Informational Purposes Only: MBE	WMBE	WBE	SBE Participation
Summary for Project Area = Mission Bay								2,812,345	1,980,260 70.4%	1,862,875 66.2%	134,911 4.8%	82,949 2.9%	1,645,015 58.5%	911,000 32.4%
TOTAL FOR IN DESIGN PROJECTS								**4,112,345**	**2,045,260** ***49.7%***	**1,927,875** ***46.9%***	**1,434,911** ***34.9%***	**82,949** ***2.0%***	**1,645,015** ***40.0%***	**976,000** ***23.7%***
Project Status: Other														
Hunters Point Shipyard/ Candlestick Point														
Hunters Point Shipyard Site Office (Professional Svc)	Miscellaneous	n/a	OCII	MJF & Associates Consulting	n/a	n/a	NA	800,000	800,000 *100.0%*	800,000 *100.0%*	800,000 *100.0%*	0 *0.0%*	0 *0.0%*	800,000 *100.0%*
Subtotal								**800,000**	**800,000** ***100.0%***	**800,000** ***100.0%***	**800,000** ***100.0%***	**0** ***0.0%***	**0** ***0.0%***	**800,000** ***100.0%***
Summary for Project Area = Hunters Point Shipyard/ Candlestick Point								**800,000**	**800,000** 100.0%	**800,000** 100.0%	**800,000** 100.0%	**0** 0.0%	**0** 0.0%	**800,000** 100.0%
TOTAL FOR OTHER PROJECTS								**800,000**	**800,000** ***100.0%***	**800,000** ***100.0%***	**800,000** ***100.0%***	**0** ***0.0%***	**0** ***0.0%***	**800,000** ***100.0%***
**SBE credit granted prior to firm graduating from size standard.*														
Professional Consulting Sub-total								**4,912,345**	**2,845,260** **57.9%**	**2,727,875** **55.5%**	**2,234,911** **45.5%**	**82,949** **1.7%**	**1,645,015** **33.5%**	**1,776,000** **36.2%**
Construction Sub-total								**111,951,071**	**58,474,912** **52.2%**	**55,164,935** **49.3%**	**17,914,241** **16.0%**	**8,750** **0.0%**	**1,214,892** **1.1%**	**35,632,294** **31.8%**
GRAND TOTAL (subject to rounding differences)								**116,863,416**	**61,320,172** **52.5%**	**57,892,810** **49.5%**	**20,149,152** **17.2%**	**91,699** **0.1%**	**2,859,907** **2.4%**	**37,408,294** **32.0%**

OCII Workforce Summary - Total Workforce Hours by Project: (July 1, 2025 - June 30, 2026)

ATTACHMENT B-1

All OCII Project Areas	General Contractor	Total Hours Worked	Local Hours	% Local Hours	BVHP Hours	% BVHP Hours	Caucasian	American Indian	Asian	Black	Latinx	Other	Minority	% Minority Hours	Women	% Women Hours
Hunterspoint Shipyard Blocks 52/54	Nibbi/Baines	1,322	980	74.1%	760	57.5%	286	0	7	0	1,029	0	1,036	78.4%	10	0.7%
Hunterspoint Shipyard Blocks 56	Nibbi/Baines	140	57	40.7%	-	0.0%	38	0	0	4	98	0	102	72.9%	0	0.0%
Mission Bay South Parks 19	Hoseley	406	57	14.0%	39	9.6%	242	0	0	0	164	0	164	4.4%	0	0.0%
Transbay Block 2E, Affordable Housing Development	Swinerton/Rubecon	255,924	76,440	29.2%	20,615	8.1%	108,285	143	18,911	9,992	115,007	3,547	147,600	57.7%	7,826	3.1%
Transbay Block 2W, Affordable Housing Development	Swinerton/Rubecon	87,675	23,736	27.1%	23,736	27.1%	43,903	0	5,064	1,704	36,557	447	4,372	49.9%	3,610	4.1%
Transbay Block 3E, Clementina Street Infastructure	NTK Construction	8,818	4,155	47.1%	486	5.5%	956	32	232	375	6,699	526	7,863	89.2%	148	1.7%
Mission Bay Block 9, Infastructure, Mid-block Break	NTK Construction	1,740	1,208	69.4%	757	43.5%	448	0	81	8	1,203	0	1,292	74.3%	0	0.0%
Mission Bay Block 41/43-7 (1450 Owens)Gladstone Tenant Improvements	Truebeck	2,490	783	31.4%	-	0.0%	1,339	0	385	2	765	0	1,151	46.2%	105	4.2%
Mission Bay Stormwater Pump Station 3	JMB Construction	8,608	5,175	60.1%	394	4.6%	213	0	8	276	8,111	0	8,395	97.5%	40	0.5%
	Total	**367,123**	**112,589**	**30.7%**	**46,787**	**12.7%**	**155,708**	**175**	**24,688**	**12,360**	**169,633**	**4,519**	**171,975**	**46.8%**	**11,739**	**3.2%**

Hunter Point Shipyard Projects	General Contractor	Total Hours Worked	Local Hours	% Local Hours	BVHP Hours	% BVHP Hours	Caucasian	American Indian	Asian	Black	Latinx	Other	Minority	% Minority Hours	Women	% Women Hours
Hunterspoint Shipyard Blocks 52/54	Nibbi/Baines	1,322	980	74.1%	760	57.5%	286	0	7	0	1,029	0	1,036	78.4%	10	0.7%
Hunterspoint Shipyard Blocks 56	Nibbi/Baines	140	57	40.7%	-	0.0%	38	0	0	4	98	0	102	72.9%	0	0.0%
	Total	**1,462**	**1,037**	**70.9%**	**760**	**52.0%**	**323**	**0**	**7**	**4**	**1,127**	**0**	**1,138**	**77.9%**	**10**	**0.7%**

Mission Bay South Projects	General Contractor	Total Hours Worked	Local Hours	% Local Hours	BVHP Hours	% BVHP Hours	Caucasian	American Indian	Asian	Black	Latinx	Other	Minority	% Minority Hours	Women	% Women Hours
Mission Bay South Parks 19	Hoseley	406	57	14.0%	39	9.6%	242	0	0	0	164	0	164	4.4%	0	0.0%
Mission Bay Block 9, Infastructure, Mid-block Break	NTK Construction	1,740	1,208	69.4%	757	43.5%	448	0	81	8	1,203	0	1,292	74.3%	0	0.0%
Mission Bay Block 41/43-7 (1450 Owens)Gladstone Tenant Improvements	Truebeck	2,490	783	31.4%	-	0.0%	1,339	0	385	2	765	0	1,151	46.2%	105	4.2%
Mission Bay Stormwater Pump Station 3	JMB Construction	8,608	5,175	60.1%	394	4.6%	213	0	8	276	8,111	0	8,395	97.5%	40	0.5%
	Total	**13,244**	**7,222**	**54.5%**	**1,190**	**9.0%**	**2,242**	**0**	**474**	**286**	**10,243**	**0**	**11,002**	**83.1%**	**145**	**1.1%**

Transbay Projects	General Contractor	Total Hours Worked	Local Hours	% Local Hours	BVHP Hours	% BVHP Hours	Caucasian	American Indian	Asian	Black	Latinx	Other	Minority	% Minority Hours	Women	% Women Hours
Transbay Block 2E, Affordable Housing Development	Swinerton/Rubecon	255,885	74,692	29.2%	20,615	8.1%	108,285	143	18,911	9,992	115,007	3,547	147,600	57.7%	7,826	3.1%
Transbay Block 2W, Affordable Housing Development	Swinerton/Rubecon	87,675	23,736	27.1%	23,736	27.1%	43,903	0	5,064	1,704	36,557	447	4,372	49.9%	3,610	4.1%
Transbay Block 3E, Clementina Street Infastructure	NTK Construction	8,818	4,155	47.1%	486	5.5%	956	32	232	375	6,699	526	7,863	89.2%	148	1.7%
	Total	**352,377**	**102,583**	**29.1%**	**44,837**	**12.7%**	**153,143**	**175**	**24,207**	**12,071**	**158,263**	**4,519**	**159,834**	**45.4%**	**11,584**	**3.3%**

Attachment C: Good Faith Effort Chart (excerpt from OCII's Small Business Enterprise Policy)

GOOD FAITH EFFORT	DESCRIPTION
1. Contract Size	Unbundling or dividing contracts to encourage and facilitate SBE participation, including scopes that a contractor normally self-performs.
2. Advertise	Advertise for a minimum of 30 days, allowing SBEs sufficient time to respond to requests for bids or proposals.
3. SBE Lists	Outreach to SBE lists, including LBEs.
4. Public Solicitation, Outreach and Assistance	Issue solicitations, follow up with SBEs and SBE related associations, provide technical assistance to SBEs, and provide SBEs with plans.
5. Meetings	Convene pre-bid/pre-solicitation meetings to answer questions. Also, to encourage larger firms to meet and greet in hopes of establishing contracting relationships with SBEs in attendance.
6. Insurance and Bonding	Offer assistance with bonding, including eliminating the need for performance and payments bonds through an owner-controlled insurance program on the part of a developer, or contractor-controlled insurance program or subguard insurance[1].
7. Focused Meetings	When deficiencies are noted, convene meetings for SBEs focusing on opportunities for particular industries.
8. Monitoring	Contractors will track information related to SBE and non-SBE proposals/bids that were received and provide reasons for any rejections as applicable. Compliance staff also reviews the bids to ensure SBEs are awarded contracts if competitive bids were submitted.

[1] Subguard is a product developed by Zurich North American Insurance Company and insures a general contractor against subcontractor default. Unlike a surety bond which is purchased by a subcontractor to guarantee its performance, a subguard is purchased by a general contractor and allows the general contractor to proactively manage subcontractor defaults to minimize losses. A claim of subcontractor default in a subguard, for example, would be handled between the general contractor and its insurance company as opposed to a claim against a surety bond, which involves the subcontractor's surety company. In addition, the claim against a surety company will likely involve disputes, investigations, and negotiations of settlement, all of which involves added time and expense.

Attachment D

Workforce Compliance Measures

COMPLIANCE MEASURES	DESCRIPTION
1. Workforce Kick-Off Meeting	OCII and CityBuild holds a workforce kick-off meeting with all Developers and General Contractor prior to the start of construction to discuss workforce program requirements, including worker referral and hiring processes. Primary points of contact for the Developer and General Contractor are identified for all workforce compliance related issues.
2. Workforce Projection Forms	All contractors and subcontractors submit Contractor Information Sheets and workforce projection forms to the assigned CityBuild compliance officer within twenty-four (24) hours prior to the preconstruction meeting. The form contains the contractors' scope of work, construction trades expected to be utilized, union information, and workforce projections. This form is used by CityBuild to anticipate the timing of worker needs and allows CityBuild to make appropriate preparations.
3. Preconstruction Meetings	Prior to the start of work, all Subcontractors meet with CityBuild to discuss the construction workforce requirements. The General Contractor coordinates and attends the preconstruction meetings with the assigned CityBuild compliance officer, CityBuild employment liaison, and all subcontractors within thirty (30) days prior to the commencement of construction (for the respective group of contractors). In addition to discussing the hiring goals, CityBuild goes over each subcontractors' workforce projections to determine potential local hiring opportunities, the local worker referral process, certified payroll reporting, and explore any anticipated issues in complying with the workforce policy.
4. Local Worker Request Forms and Referral Process	When a contractor/subcontractor increases its workforce on the job site they submit an executed local construction worker request form designated as a "Form 3" to the assigned CityBuild employment liaison and copy the assigned compliance officer as well as the General Contractor. The employment liaison has at least 72 hours advance notice of the local hire opportunity to conduct a search of a qualified local resident. The Form 3 indicates the following: the number of workers needed (apprentice or journeyman), duration needed, required skills, trades, union information, start date, description of scope of

COMPLIANCE MEASURES	DESCRIPTION
	work, project name, jobsite location, and contractor contact information, among others. All Form 3s are logged in CityBuild's records. CityBuild monitors the increase of a contractor's workforce on the project via certified payroll reports submitted to LCPtracker (online reporting system), job site visits and contractor meetings. CityBuild utilizes its internal employment networking lists as well as confer with CBOs to identify and refer qualified local worker residents. Contractors notify CityBuild of all hires of local referrals. If no local referrals are available, contractors may hire a number of workers requested from CityBuild, using its own recruiting methods, giving first consideration to project area residents and then San Francisco residents.
5. Certified Payroll Reports	Each contractor submits to OCII a certified payroll report (CPR) for the preceding workweek on each of its employees. Contractors are required to report certified payroll utilizing the online reporting system, LCPtracker. CPR records contain the following information: name, address, gender, ethnicity, Department of Industrial Relations (DIR) approved job classification, daily and weekly number of hours worked, hourly wage rates, and fringes, among others. CityBuild monitors payroll submissions for deficiency and gathers missing payroll reports when delinquent.
6. Job Site Visits	CityBuild conducts job site visits and meetings to verify status of construction, confirm local workforce participation, identify current contractors on site, meet with the general contractor, speak with local referrals, photo documentation, and make determinations regarding compliance and further local hiring opportunities.
7. Workforce Compliance Reports	The assigned CityBuild workforce compliance officer generates monthly workforce compliance reports to the General Contractor, Developer, and OCII utilizing CPR data submitted in LCP Tracker and internal records. The report contains data points such as total project work hours, local hours, local hiring percentage, apprentice hours, minority hours by each subcontractor and worker trade. CityBuild also tracks and reports on the number of times contractors have outreached for local worker referrals as well as placements and/or sponsorships of local workers. These records are maintained to evidence hiring efforts.

COMPLIANCE MEASURES	DESCRIPTION
8. Monitoring and Progress Meetings	If there are compliance issues, the General Contractor and Developer are notified and the Contractor or Subcontractor are required to provide documentation of its efforts to comply with the workforce policy. The Developer and/or General Contractor are required maintain for the duration of the term a current file of each project area resident or local hire referral from CityBuild and what action was taken with respect to each individual. CityBuild meets with non-compliant or deficient Contractors to identify areas of improvement and discuss corrective action measures including hiring additional local construction workers and/or sponsoring apprentices to the trade. When necessary, CityBuild holds Show-Cause meetings in conjunction with OCII to meet with the Developer, General Contractor and non-compliant Contractor to discuss an action plan to remedy local hire issues.

Attachment E

Citywide Local Hiring Trends

The City and County of San Francisco's ("City") 2026 Local Hiring Policy for Construction Annual Report ("Report")[1], which analyzes data from all work hours reported on City-awarded projects in calendar year 2025, identified an increase of 434,732 hour in total work hours, rising from 3.8 million in 2024 to 4.3 million in 2025. The higher number of work hours also showed an improvement in local hire participation, increasing from 30 percent to 35 percent for overall local hours performed, and an increase in apprentice local hire participation from 45 percent to 53 percent from the previous calendar year.

The Report captures 319 projects managed across eight City departments: the Mayor's Office of Housing and Community Development ("MOHCD"), Municipal Transportation Agency ("MTA"), Port of San Francisco ("SF Port"), San Francisco Public Utilities Commission ("SFPUC"), San Francisco Public Works ("SFPW"), Recreation and Parks ("RPD"), San Francisco International Airport ("SFO"), and the San Francisco Real Estate Division. It also includes data for privately funded developments on City-owned property subject to the Mandatory Local Hire Policy. In 2025, publicly funded construction activity increased, including major SFO expansion work, SFPUC public administration and sewer system improvement projects.

Private developments have not returned to their pre-pandemic output levels, which may continue to limit opportunities for local construction workers, as companies prioritize retaining existing core workers rather than hiring new local workers when available work is limited.

Commercial real estate is evolving in downtown San Francisco with more AI companies leasing office real estate. Class A properties which represent high quality relatively new construction represent the highest demand, while Class B and C properties which are older and/or less desirable face less demand and considerable vacancies. Tech layoffs and retail vacancies also continue to impact construction workforce recovery.

Looking ahead, the City continues to anticipate a slow but steady recovery within the construction industry with more growth in public infrastructure work. Although major private developments continue to stall, City agencies such as SFO and SFPUC are moving forward with their multi-billion-dollar capital plans, creating opportunities for contractors and local workers.

(Originated by Maria Pecot, Contract Compliance Supervisor and Ken Nim, CityBuild Director, City and County of San Francisco)

[1] https://media.api.sf.gov/documents/2026_Local_Hire_for_Construction_Annual_Report_1.pdf