



450-0182024-002

Agenda Item **No. 5(g)**
Meeting of May 6, 2025

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Informational Memorandum on the Master Developer’s Community Benefits Agreement for Hunters Point Shipyard Phase 1 for the period of January 2023 through December 2024, Legacy Fund Update, and Phase 2 Community Benefit Agreement preview following Candlestick Point approvals; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

EXECUTIVE SUMMARY

This memorandum summarizes HPS Development Co., LP’s (“Phase 1 Master Developer” or “Lennar”) performance under the Phase 1 Community Benefits Agreement (“Phase 1 CBA”) from January 2023 through December 2024. In 2023, Lennar was compliant with most commitments except for offering quarterly homeowner and small business networking workshops (**Table 1**). Lennar resumed these workshops in late 2023 and is fully compliant through December 2024.

Table 1. Phase 1 Master Developer CBA Compliance Status

Benefit	2023 Status	2024 Status
Construction Assistance Program	In Compliance	In Compliance
Community Builder Program	In Compliance	In Compliance
Interim African Marketplace	In Compliance	In Compliance
Cultural/Historic Recognition Program	In Compliance	In Compliance
Business Incubator Space Program	In Compliance	In Compliance
Home Buyers’ Assistance Program	Partial Compliance	In Compliance
Job Training and Employee Assistance Program	In Compliance	In Compliance
Local Community Priority Leasing Program	In Compliance	In Compliance
Small Business Assistance Program	Partial Compliance	In Compliance
Outreach Program	In Compliance	In Compliance
Community Facilities Lots	In Compliance	In Compliance
Community Benefits Status Reports	In Compliance	In Compliance
Community Benefits Fund (administered by Legacy Foundation)	In Compliance	In Compliance

Ahead of infrastructure work resuming at Candlestick Point, this memorandum also summarizes cumulative payments made by CP Development., LP ("Phase 2 Master Developer" or "FivePoint") to the Phase 2 Community Benefits Plan ("Phase 2 CBP"), set forth in Exhibit G of the Candlestick Point/Hunters Point Shipyard Phase 2 Development and Disposition Agreement ("Phase 2 DDA"). To date, Phase 2 Master Developer has contributed over \$33 million towards Phase 2 CBP programs.

PROJECT BACKGROUND

The Office of Community Investment and Infrastructure ("OCII") is responsible for managing the implementation of the Candlestick Point and Hunters Point Shipyard ("HPS/CP") redevelopment. The development is governed by two separate Development and Disposition Agreements between OCII and two Master Developers. The Phase 1 Development and Disposition Agreement ("Phase 1 DDA") with Phase 1 Master Developer governs the Phase 1 project, which includes development of up to 1,428 homes and 26 acres of parks and open space in two subareas, "Hilltop" and "Hillside". To date, Lennar has built 505 housing units, including 102 "Below Market Rate" housing units and is completing their final block on "Hilltop".

The Phase 2 DDA with FivePoint governs the Phase 2 project, which includes the development of up to 10,672 homes, approximately 5 million square feet of research and development/office space, 630,000 square feet of regional and neighborhood-serving retail, and approximately 325 acres of parks and open space on the remainder of the Hunters Point Shipyard site as well as Candlestick Point. Together, the development of Phase 1 and Phase 2 projects will be referred to as the "Project."

Both the Phase 1 and Phase 2 DDAs contain robust community benefits to be fulfilled by the Master Developers. For Phase 1, these community benefits are principally set forth in the Phase 1 CBA, as amended. For Phase 2, these community benefits are principally set forth in Exhibit G of the Phase 2 DDA, including its Community Benefits Plan.

COMMUNITY BENEFITS OVERVIEW

The CBA ensures that the local BVHP community can participate in, and benefit from the Project's economic, cultural, and social opportunities. In addition to the Phase 1 CBA and Phase 2 CBP, the Project will provide affordable housing, create and rehabilitate parks and open space, offer local hire for construction and end-use jobs, and prioritize small business participation.

Additionally, some community benefits are administered by the Legacy Foundation, an advisory body to OCII formed in accordance with the Phase 1 DDA and is overseen by the Legacy Foundation Board. The Legacy Foundation is responsible for ensuring Lennar's contribution to the Community Benefits Fund is expended for the benefit of the BVHP community. The Phase 1 DDA defined Lennar's contribution to a Community Benefits Fund ("Phase 1 Fund"). Likewise, the Phase 2 DDA Community Benefits Plan carries forward the same concept in a Community Benefits Fund ("Phase 2 Fund"). On February 7, 2017, by Resolution No. 04-2017, the Commission endorsed the Legacy Foundation's Five-Year Strategic Plan, which programmed monies of the Phase 1 Fund and Phase 2 funds for various community programs in accordance with the Legacy Foundation areas of priority.

PHASE 1 COMMUNITY BENEFITS

Below is a list of the applicable Community Benefit Programs for Phase 1. These programs, except for item 13, are administered by Lennar.

1. Construction Assistance Program
2. Community Builder Program
3. Interim African Marketplace
4. Cultural/Historic Recognition Program
5. Business Incubator Space Program
6. Home Buyers' Assistance Program
7. Job Training and Employee Assistance Program
8. Local Community Priority Leasing Program
9. Small Business Assistance Program
10. Outreach Program
11. Community Facilities Lots
12. Community Benefits Status Reports
13. Community Benefits Fund (*administered by the OCII and Legacy Foundation*)

The above Phase 1 Community Benefit Programs are described in more detail below and compliance status is summarized in **Attachment 1**. Below, a description, compliance status, and any recommendations for adjustment are presented for each requirement.

1. Construction Assistance Program ("CAP")

Program Description:

Pursuant to Section 2 of the Phase 1 DDA Attachment 24B and as articulated in Phase 1 CBA, Section 3, Phase 1 Master Developer shall implement a Construction Assistance Program, "CAP", to ensure BVHP contractors and small business enterprises ("SBE") are given the opportunity to obtain needed insurance, technical, and financial assistance, and are not required to provide payment for performance bonds, in order to fully participate in the demolition and renovation of existing buildings, and construction of infrastructure and new residential, cultural, commercial, and community facilities at the Shipyard. CAP includes five programs:

- a) Owner Consolidated Insurance Program (OCIP) that allows interested contractors to sign up for general liability coverage;
- b) Surety Bond Program that relieves BVHP Area Contractors from posting surety bonds for work on the Phase 1 Project;
- c) Technical Assistance in the form of a Contractor Liaison who assists contractors with navigating through the process of contracting for work for the Phase 1 Project;
- d) Financial Assistance in the form of connecting BVHP Area Contractors who need financing with financial institutions; and

- e) Mentorship Program to support emerging Minority Business Enterprise/Women's Business Enterprise ("MBE/WBE") construction related BVHP enterprises by teaming them with experienced mentors.

Status Update:

a) OCIP

This program intends to reduce barriers for BVHP contractors to secure required insurance. Due to limited insurance market capacity, it is not feasible for Phase 1 Master Developer to purchase General Liability coverage for all Lennar contractors. In lieu of providing coverage, Lennar opted to lower their General Liability limits below the limits required under OCIP on a project-by-project basis. These lower limit thresholds allow small businesses to meet insurance requirements. Streetscape work at Donahue Street and Innes Avenue was the only active project to go to bid in 2023 and 2024 and lower insurance limits were set at \$2.5 million for local BVHP contractors instead of the market-rate of \$5 million.

b) Surety Bond Program

As required by the Surety Bond Program, Lennar has waived Surety Bond requirements for BVHP Area Contractors including payment and performance bonds. As required under the program, relevant contracts contain a clause explicitly prohibiting Surety Bond requirements.

c) Technical Assistance Program (TAP)

Lennar contracts with Tyche Business Solutions ("Tyche") as a liaison to administer the various aspects of CAP, including the TAP. Pursuant to program requirements, Tyche maintains an onsite office, known as the CAP Trailer, at 421 Galvez Avenue. At the CAP Trailer, contractors have access to office equipment, a contractor plan room, estimating software, and webinar resources. Lennar supports the full cost of this operation.

In 2023 and 2024, over 450 contractors came to the CAP trailer for technical support including, but not limited to, construction software technology training, business marketing, bid proposal preparation, communication skills, change order processing, networking, and referral assistance in acquiring financing or alternative resources. Tyche assisted contractors through one-on-one sessions, quarterly workshops, and networking events. Tyche also conducted community outreach to prime contractors, developers, trade programs, government agencies, and professional organizations to identify potential opportunities and advocate for BVHP contractors.

d) Financial Assistance Program (FAP)

Per section 2.5 of the Phase 1 CBA, Phase 1 Master Developer will actively utilize its relationships with financial institutions to introduce them to the Shipyard development, explain the general financial needs of BVHP Contractors, and assist contractors with any financing needs. Lennar implements the FAP through engaging contractors at the beginning of each project, including making Technical Assistance Resources (TAR) available to contractors seeking loans. Since 2021, Tyche has been referring participants to Chase Bank, Working Solutions, and the City's Contractor Accelerated Payment Program (CAPP) for loans, line-of-credit, and financial assistance. In 2023, 18 contractors were referred to third-party financial institutions and ten contractors received loans from Working

Solutions' D10 Loan Fund. In addition to referrals, Tyche coordinates an annual financial workshop during active projects. In 2023, Chase Bank hosted *Power of Capital* and in 2024, Tyche hosted *Retirement Options for Small Business Owners*. Tyche plans to continue their partnership with third-party financial resources into 2025 through referrals and collaborating on workshops.

e) **Mentorship Program**

In 2023 and 2024, the Mentorship Protégé Program ("Mentorship Program") continued to be administered by Renaissance Entrepreneurship Center ("Renaissance"), who has led program efforts since 2010. The Protégé Program provides early-stage businesses technical support to help their businesses grow through workshops, classes, and industry-specific training programs. In 2023 and 2024, Renaissance offered 19 workshops and classes focusing on finance, contracting bidding, budgeting, work plans, hiring, and technical skills, along with referring contractors to eight industry-specific training courses led by community partners. Renaissance also builds relationships with prime contractors, developers, and other organizations, including Clark Construction, Nibbi, Cahill, Webcor, Swinerton, UCSF, and SFO, to ensure pipeline for Protégé and program participants.

In 2023 and 2024, these efforts culminated in helping Protégés secure over \$8.8 million in contracts on projects, including SF General Hospital, HPS Block 52, 900 Innes, Transbay Tower II, 700 Branan, 375 Alabama, and 3250 Van Ness. Protégés were also connected to financial institutions for capital to support their work, securing over \$1 million in capital. Moreover, Renaissance distributed six Chromebooks to members of the Hyper-local Collective to support business operations and their Business Assistance Center's incubator space is now 95% occupied.

Over ninety percent (90%) of clients are African American, of which sixty percent (60%) are low-to-moderate income and twenty percent (20%) are extremely low-income. All clients either live or operate their businesses in District-10.

Summary and Recommendations:

Lennar is complying with the requirements of the Construction Assistance Program. In 2023 and 2024, lower insurance limits were offered to BVHP contractors, Surety Bond were waived, over 450 contractors received technical assistance, 18 contractors were referred to third-party financial resources, and Protégés secured over \$8.8 million in contracts and over \$1 million in capital.

2. Community Builder Program

Program Description:

As part of the Phase 1 CBA, Lennar agreed that 30 percent of market-rate housing lots in Phase 1 would be offered for development in partnership with Community Builders. Community Builders are builders whose business or residence is in BVHP, or BVHP non-profit groups with the requisite proficiency and experience to participate in the Phase 1 Development.

Per the Phase 1 CBA, Community Builders may access the Community Builder Program in the following ways:

- a) Acquire assigned lots and develop these lots as an "Independent Community Builder".

- b) Jointly acquire an assigned lot with an affiliate of Master Developer and develop the site as a “Joint Venture Community Builder”; or
- c) Assist a Vertical Developer as a “Fee Developer Community Builder” without being required to contribute to the costs of the lot purchase or development.

Status Update for Phase I:

Community Builder lots have been assigned to nine Community Builders (**Table 2**). Community Builder Agreements were executed in accordance with the Community Builder Program. In total 458 units have been assigned to Community Builders across nine market-rate housing lots in Phase 1.

Table 2. Community Builder Program

Phase 1 Block Number	Community Builder	Units
Block 1	Tabernacle Community Development Corporation	224
Block 48 A	San Francisco Housing Development Corporation	16
Block 48 F&J	Shiloh Full Gospel Church	80
Block 48 K	The Baines Group/BHPMPSS	26
Block 48 O	Eagle Environment Consulting	11
Block 52	Al Norman/Derek Smith (Marinship)	77
Block 53*	MDC/C. Churchwell LLC	12
Block 54*	BAMEC	12

*Note: Blocks 53 and 54 are complete and Block 52 was completed in June 2024. All other development Blocks are in predevelopment.

Summary and Recommendations:

No recommendations, Lennar remains in compliance with this requirement.

3. Interim African Marketplace ("IAM")

Program Description:

In accordance with the Phase 1 CBA, Lennar agreed to establish an Interim African Marketplace: a music, entertainment, cultural, and tourist destination in the form of an African-themed temporary festive outdoor setting for the display and sale of goods and wholesome foods, as well as a venue for musical performances. The Interim African Marketplace has moved to a permanent location in Phase 2 at Candlestick Point. The Phase 2 CBP requires that a portion of the Phase 2 open space and a portion of the Community Facilities Space within retail facilities on Candlestick be used for an African-themed, festive setting for the display and sale of arts, crafts, sculptures, fabrics and clothing, and books.

Status Update for Phase I:

In 2006-2007, Lennar organized events and later provided a \$180,000 cash contribution to OCII to further the IAM program. OCII organized events in 2008 and 2009; however, following feedback from the Hunters Point Shipyard Citizen's Advisory Committee ("CAC"), the IAM was put on hold after the 2009 event. OCII returned the remaining fund balance of approximately \$80,000 to Lennar. Future programming for the IAM will take place when Phase 2 open space and or Community Facilities are built out.

Summary and Recommendations:

There are no recommendations; Lennar is compliant with this requirement.

4. Cultural/Historic Recognition Program ("CHRP")*Program Description:*

The Phase 1 CHRP program's Cultural/Historic Recognition Program (CHRP) aims to integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art. CHRP elements include:

- a) The installation of 500 square feet of tiles designed by youth participants in a San Francisco Bayview Opera House art program.
- b) The creation of a walkway with a timeline of historic events.
- c) While no funding obligation was included with the CHRP program requirement, under the Phase 1 CBA, Phase 1 Master Developer was required to engage a fundraising consultant to pursue government, foundation, and private funding to underwrite the creation of an arts program, public art and the implementation of the CHRP.

Status Update for Phase I:

- a) Youth Tiles: As part of the creation of the Hilltop parks and open space, the required 500 square feet of youth tiles have been installed by Lennar in the Phase 1 Hilltop Park System.
- b) Historic Walkway: Lennar installed historic signage in the Phase 1 Hilltop Park System in October 2024. Updates on these signs were presented to the community in Spring 2024.
- c) CHRP Program: From March 2005 through December 2006, Lennar contracted with LSM Legacies to conduct planning and fundraising services in furtherance of CHRP. In 2009, OCII initiated the "Shipyard Public Art" project by securing nearly \$1.5 million of federal grant funds from the U.S. Department of Commerce, Economic Development Administration ("EDA"). The EDA grant was used by OCII to install nine public art pieces in the Phase 1 Hilltop Park System in 2015 (<https://sfocii.org/hunters-point-shipyard-public-art>).

Summary and Recommendations:

No recommendations, Lennar remains in compliance with this requirement.

5. Business Incubator Space Program ("BISP")*Program Description:*

Lennar is obligated to allocate space for a small business incubator program at the Shipyard at cost without profit. Program specifics require Phase 1 Master Developer to cooperate with the Agency in developing a Business Incubator Space Plan, obtaining approval, and selecting a Business Incubator Program Facilitator.

In September 2015, OCII acquired Building 813 from the Navy as a future site for BISP. In the future, the Phase 2 Master Developer and OCII will work together to develop Building 813, an approximately 260k sq. ft. building, for use as a center for the incubation of emerging businesses and technologies.

Status Update for Phase 1:

The planned Phase 1 commercial space has not been developed yet and is slated for retail as recommended by the community. Also, the BISP would be provided in Phase 2 of the Shipyard at Building 813 or elsewhere. This is consistent with the CBA requirement.

Summary and Recommendations:

No recommendations, Lennar remains in compliance with this requirement.

6. Home Buyers' Assistance Program*Program Description:*

The Phase 1 CBA requires Phase 1 Master Developer to develop a program to aid qualified Phase 1 home buyers of affordable as well as market rate homes, including:

- a) Down Payment Assistance
- b) First Time Buyer Financing Programs
- c) Homeownership Counseling Services.
- d) Ongoing outreach, including hosting quarterly workshops on homeownership opportunities and the qualification process.

Status Update for Phase 1:

The Down Payment Assistance and First Time Buyer Financing Programs: Per the Phase 1 CBA, Lennar through its affiliate mortgage company Universal American Mortgage Company ("UAMC") shall offer zero down payment options to qualified buyers. In addition, the Lennar is to work with OCII and local community economic development organizations to identify (i) programs that could be the source of "gift" funds that may be used by qualified buyers for two percent (2%) of the required down payment on an Affordable Residential Unit in the Phase 1 Project pursuant to the Affordable Housing Plan, and (ii) programs that could provide other forms of financial assistance for such

qualified buyers, and to provide qualified buyers with a list of such programs. Further, under the First Time Buyer Financing Program, the Developer is to work with its preferred lenders to provide information to qualified home buyers regarding any available fixed-rate financing for low and moderate-income first-time home buyers (individuals who have not owned a home within the past three years).

UMAC no longer exists and is now Lennar Mortgage. Lennar Mortgage does not provide 0% down payment loans as the market does not support the availability of this loan type. For homes at the Shipyard priced below \$600,000, Lennar is currently offering buy-down rates that are below the current rates offered in the market. The buy-down rates are typically 3/2/1 (3% in year 1; 2% in year 2; 1% in year 3) or 2/1 (2% in year 1 or 1% in year 2). Lennar Mortgage also offers seasonal promotions for low fixed interest rate mortgages that require prospective homebuyers to have a credit score of 740 or higher and a 10% downpayment.

Homeownership Counseling and Outreach: The Homeownership Counseling and Outreach requirements are also set forth in the DDAs. As a requirement of the Program, Vertical Developers are required to inform local organizations providing community-based homeownership counseling services of homeownership opportunities. Vertical Developers are also required to host quarterly workshops on homeownership opportunities and the qualification process.

Workshops, which were suspended between 2020 – 2022 due to Covid-19, resumed in late-2023. While Lennar was not compliant with this requirement in 2023, Lennar Mortgage hosted five Home Readiness workshops in 2024, including two virtual workshops in January and April, and in-person workshops in May, October, and December. In 2024, attendance for virtual workshops were higher than in-person workshops. To reach a diverse audience, Lennar will continue to host both virtual and in-person workshops in 2025.

Summary and Recommendations:

In 2024, Lennar is compliant with the requirements of the Home Buyers' Assistance Program by resuming virtual and in-person workshops in late 2023. Lennar continues to offer Phase 1 home buyers with various resources including: Down Payment Assistance; First Time Buyer Financing; Homeownership Counseling; and Outreach regarding homeownership opportunities. Phase 1 Master Developer is required to maintain this program on an ongoing basis, until the last home on the Project is sold.

Job Training and Employee Assistance Program ("JTP")

Program Description: Phase 1 Master Developer is obligated to create a JTP by:

- a) Working with existing community-based job training and assistance programs with a successful track record of identifying job training needs for the Shipyard;
- b) Designing the JTP to specifically address training and employment needs at the Shipyard;
- c) Including in the JTP the creation of after school, summer school, and vacation employment via internships or partnering with local summer jobs programs.

In furtherance of the JTP, Phase 1 Master Developer must contribute \$225,000 per year to fund community-based organizations (“CBOs”) that provide job training services beginning at the close of escrow for Parcel A and until Phase 1 infrastructure is substantially complete.

Status Update for Phase 1:

Lennar’s total funding obligation under the JTP from 2005 through 2024 is \$4,500,000 based on annual funding obligation of \$225,000. Through 2024, Lennar made \$4,494,111 in payments to the JTP, falling short of their funding obligation by \$5,889. Lennar is working with their contractors to program the remaining \$5,889 in Q1 2025.

Of the over \$450,000 paid to the JTP in 2023 and 2024, \$382,500 was awarded to Young Community Developers (“YCD”). YCD is a leading job training organization in D10, and its portfolio of programs include educational services for GED/HS diploma completion; career training and certification; and a summer academy for D10 youth. As the designated Neighborhood Job Center Provider (“JCP”), YCD provides an array of workforce program to all D10 residents. In 2023 and 2024, funds distributed to YCD served 407 participants with 265 participants (65%) being placed in jobs across 50 different employers, including local contractors, trade unions, and public agencies. YCD staff also canvass various job sites throughout the City and connect with contractors to understand projects and staffing needs. These conversations enable YCD to tailor their workforce programming to meet demands of the job market.

Summary and Recommendations:

Lennar fell \$5,889 (2.6%) short of fulfilling their monetary obligation for the JTP in 2024 but plans to expend that remaining balance in 2025, in addition to their \$225,000 annual commitment.

Local Community Priority Leasing Program

Program Description:

As part of Section 10 of the Phase 1 CBA, the Phase 1 Master Developer and all Vertical Developers are obligated to encourage local businesses to lease available retail spaces within the Phase 1 Project Area by actively notifying local businesses of upcoming leasing opportunities, including working with local CBOs in outreach efforts.

Status Update for Phase 1:

To date, no retail spaces have been developed in Phase 1.

Summary and Recommendations:

Lennar has no current obligations as no retail spaces have been developed.

7. Small Business Assistance Program (“SBAP”)

Program Description:

As part of Section 11 of the Phase 1 CBA, Phase 1 Master Developer is required to identify opportunities to assist small businesses in the BVHP area with obtaining contracts for and participating in other business opportunities at the Shipyard. In furtherance of this requirement, Phase 1 Master Developer is required to:

- a) Create and update no less than bi-annually a directory of local small businesses.
- b) Require its Phase 1 contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all their Shipyard Project-related purchases from BVHP area small businesses subject to monthly reporting requirements. 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 to inform them of upcoming contracting opportunities and provide them with an opportunity to market their goods and services to Lennar/BVHP and its contractors and consultants. The frequency of these workshops can be lessened if the Agency and Lennar/BVHP deem that less frequency is warranted.
- d) Identify Community Benefits Manager responsible for operating the SBAP and ensuring that all the components of the program are implemented as described.

Status Update for Phase 1:

Small Business Directory: Phase 1 Master Developer currently publishes a directory of local suppliers through CAP, which is administered by Tyche Business Solutions. The directory is shared with all contractors and consultants on the Project. The directory is updated through self-reporting.

20% Local Supplier Goals: Phase 1 Master Developer has included language in contracts with consultants and contractors to purchase supplies from BVHP Area Small Businesses. For the Block 1 streetscape project, the only project occurring during the analysis period, Minerva attempted to procure materials from BVHP small businesses. However, area small businesses did not offer the materials needed. Phase 1 Master Developer will continue to promote the 20% Local Supplier Goal in contracts with consultants and contractors for future projects.

Quarterly Networking Workshops for BVHP Small Businesses: In 2023, Lennar was short of providing the quarterly meetings. However, Lennar has been compliant in 2024, hosting multiple “Suppliers Meet & Greet” and “Meet the Primes”.

Community Benefits Manager: As the CAP program administrator, Tyche Business Solutions also administers the SBAP.

Summary and Recommendations:

In 2023, Phase 1 Master Developer was partially compliant due to not meeting their quarterly networking workshop obligation. However, Lennar has offered quarterly workshops through 2024 and is fully compliant with the SBAP requirements. For streetscape improvements at Innes and Donahue, Lennar's contractor, Minerva, made a good faith effort to procure materials from BVHP area small businesses. However, smaller suppliers in the area did not offer the bulk materials needed for the streetscape project, such as concrete, rebar, and sand. Lennar will continue to make the 20% BVHP Area Small Business supplier goal explicit in its consultant and contractor agreements on future projects.

8. Outreach ProgramProgram Description:

Section 12 of the Phase 1 CBA and Exhibit L of the Phase 1 CBA outlines certain tools and activities that Phase 1 Master Developer is required to facilitate the dissemination of important information, deadlines, and updates pertaining to business opportunities resulting from the redevelopment of the Shipyard. Phase 1 Master Developer is also required to translate communications into Chinese, Spanish and Samoan.

Status Update for Phase 1:

The Phase 1 outreach activities were done through the CAP and directly by Lennar. CAP's outreach database includes community groups like the SF African American Chamber of Commerce, Hispanic Chamber of Commerce, Asian Pacific Chamber of Commerce, Renaissance, the BVHP CAC, as well various local contractors and suppliers.

Lennar or Tyche disseminated project information directly to contractors including local trades and suppliers. Outreach activities include:

- Regular outreach to local small businesses
- Notifying contractors, professional services, truckers, and suppliers of upcoming HPS RFP/RFQ's posted on the City's Bid and Contracts website
- Sharing information via office visits, e-blasts, texts, flyers, newsletters, and phone
- CAP also provides Local Business Enterprise ("LBE")/Disadvantaged Business Enterprise ("DBE")/Small Business Enterprise ("SBE") Certification information for local contractors to LBE certified with the City, SBE with the State, and DBE with Federal agencies
- Housing opportunities are shared with CAP's distribution list, SFHDC, and an email list generated from interest through Lennar's website.

CAP uses multiple channels to conduct outreach, including digital campaigns, email blasts, social media, phone calls, text messages, a quarterly newsletter, special mailings, and contractor fairs. CAP tracks the performance of their outreach activities, such as number of businesses contacted, email delivery and open rates, and event registration. If participation is low, CAP follows up with residents and small businesses to seek feedback on improving communication and outreach. Lennar has been

using multilingual distribution in 2017, translating outreach materials to Chinese and Spanish. In 2023, Lennar expanded multilingual distribution to include Samoan.

Summary and Recommendations:

No recommendations, Lennar remains in compliance with this requirement.

9. Community Facilities Parcels

Program Description:

Under the Phase 1 and Phase 2 DDAs, Master Developer is required to provide OCII developable lots (including rough grading with positive slope(s) enabling drainage towards the street, and not across interior parcel lines) totaling 6 acres. Master Developer is required to provide the land to OCII free of charge, with no further obligations to fund the vertical construction. The Phase 1 DDA originally required that there be 6 acres of land for Community Facilities Parcels within Parcel A and Parcel B. However, Parcel B's Community Facilities Parcels (4.8 acres) is now in Phase 2 and Phase 1 total is now 1.2 acres as a Phase 1 obligation, per the Phase 1 2nd Amendment DDA (Reso. 141-2006).

Status Update for Phase 1:

There is 1.2 acres of dedicated community facility spaces located along Galvez Avenue at Donahue. The remaining 4.8 acres of Community Facility Parcels acres will be distributed through Phase 2 of the Project. Community Facilities Parcels may be used for a range of civic or community needs, including facilities for school, police, and fire. OCII, the CAC and Lennar will embark on planning process during the Phase 2 development for these parcels.

Summary and Recommendations:

No recommendations, Lennar is in substantial compliance.

10. Community Benefits Status Reports

Program Description:

In accordance with Section 13 of the Phase 1 CBA, Phase 1 Master Developer is required to provide the CAC and OCII with a written Status Report on all the community benefits programs on a quarterly basis. Additionally, Phase 1 Master Developer is required to present the contents of each Status Report to the CAC.

Status Update for Phase 1:

In 2018, a decision was made between Lennar and OCII to temporarily replace quarterly reporting requirements with annual reporting. Lennar provided reports to OCII for 2023 and 2024. On November 21, 2024, Lennar provided the Hunters Point Shipyard CAC with a Phase 1 Community Benefit Status Report/Presentation on November 21, 2024. Lennar's contractors – Tyche, Renaissance, YCD – presented status updates and highlights for their contractor and job training programs.

Summary and Recommendations:

No recommendations, Lennar is in substantial compliance.

11. Community Benefits FundProgram Description:

In accordance with the Fifth Amendment to the Phase 1 DDA, Phase 1 Master Developer must contribute \$1 million a "Community Benefits Fund", which is to be reinvested by OCII in the Project area to:

- a) Benefit low- and moderate-income families.
- b) Eliminate blight; and /or
- c) 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.

These funds are to be reinvested by OCII following consultation with the Legacy Foundation and the CAC and are to be subject to the approval of the Commission.

Status Update:

To date, Lennar has contributed \$1 million to the Community Benefits Fund: \$500,000 in June 2012 and \$500,000 in June 2013. In February 2017, the OCII commission approved the Legacy Foundation's Strategic Plan which outlined planned usage for the Community Benefits Fund. To date the Legacy Fund has expended \$506,634 of the \$1 million funds.

Summary and Recommendations:

Lennar has met the financial obligations of this program and is thus in compliance with program requirements.

PHASE 2 COMMUNITY BENEFITS

1. Scholarship Program
2. Education Improvement Fund
3. Southeast Health Center
4. Community Facilities Space
5. Community Facilities Lots
6. Additional Community Facilities
7. Core Community Benefits Agreement (*OCII not party to agreement*)
8. Community Builder Program
9. Contractor Assistance Program
10. Community Real Estate Broker Program
11. Community Benefits Fund (*administered by the Legacy Foundation*)

To date, Phase 2 Master Developer has paid over \$33 million in community benefits for education, community health and wellness, business development, and community facilities (**Table 2**).

Table 3. Phase 2 Community Benefits Plan Payments

Payments Made to Date	Amount Paid
Community Benefits Plan Payments Exhibit G	
<i>Scholarship Fund (Section 1.1)</i>	\$500,000
<i>Education Improvement Fund (Section 1.2)</i>	\$500,000
<i>Southeast Health Center (Section 2.2)</i>	\$250,000
<i>Wellness Contribution (Section 2.1)</i>	\$2,000,000
<i>Construction Assistance Fund (Section 5.2(a)-Sub Phase Approval)</i>	\$1,667,345
<i>Insurance and Credit Support (Section 5.2(b)-Sub Phase Approval)</i>	\$250,000
<i>Artist and Cultural Facilities (Section 3.4(a))</i>	\$13,000,000
<i>Cookery (Section 3.4(b))</i>	\$15,000,000
Exhibit G Community Benefits Total	\$33,167,345.00

Legacy Fund Cash Balances and Allocation Summary

The Legacy Foundation administers Phase 1 and Phase 2 monetary contributions in accordance with the Legacy Foundation Strategic Plan. With OCII staff support and Commission authorization, the spending of the CBA funds is directed by the Legacy Foundation made up of OCII staff and community members.

With OCII staff support and Commission authorization, the spending of the CBA funds is directed by the Legacy Foundation made up of OCII staff and community members.

PHASE 1 COMMUNITY BENEFIT FUNDS

Phase 1 Legacy Fund consists of a total Phase 1 Developer contribution of \$1 million. Below is a description of each program remaining in Phase 1. To date, \$506,634 of Phase 1 funds have been expended on strategic plan consulting services, downpayment assistance program and student stipends. The total remaining balance of Legacy Fund Phase 1 is \$493,366. A detailed table of both Phase 1 and Phase 2 Fund expenditures and balances to date is provided in **Attachment 3**.

Living Stipends for Students and Scholarship America Administration: \$50,000

These Phase 1 funds are part of the larger Phase 2 Scholarship funds to pay for a five-year program of student living stipends and the administration of Scholarship Program. To date, \$30,000 has been expended on living stipends and Scholarship America administration.

Neighborhood Building Program: \$39,315

The goal of this program is to spend funds on uplifting and inspiring events for the community.

(1) Community Dialogues: Organize periodic events to bring together cutting-edge thinkers, political, community leaders to address challenges facing the BVHP community. A total of \$16,446 will be expended to facilitate these conversations.

(2) Community Heroes Recognition Ceremony: A community celebration to recognize unsung heroes of the community took place on March 22, 2024 and was attended by approximately 100 people. A total of \$22,869 was expended for this ceremony.

College Readiness and Career Skill Building Grants: \$200,000

The Legacy Foundation seeks to support non-profit community-based organizations (this definition includes non-profit social enterprises, college, and university-sponsored projects) that offer out-of-school time programs which may include project-based learning opportunities that are assisted by tutoring, mentorships, internships and instructional curriculum that is focused on building Science, Technology, Engineering, Arts and Math and executive functions skills. In 2025, Legacy Foundation will seek out a partner to implement a program that will support 100 youth per year with these funds over a five-year period.

Contractor Assistance Fund: \$250,000

The goal of this program is to support investment in small local businesses and contractors that are committed to creating immediate work opportunities for local BVHP workers. This fund will ensure full opportunities for participation by small contractors in projects involving high value contracts. The program will also provide contractors with guidance through the process for bidding and local hiring goals by providing one-on-one consultations and contractor-focused group workshops and seminars.

2024 Homeownership Down Payment Assistance: \$200,000

\$200,000 from the College Readiness and Skill Building fund was split to continue the Homeownership Down Payment Assistance. The goal of this program is to provide down payment assistance in the form of equity contributions that support residents in 94124, who meet the eligibility criteria and who are committed to purchasing and living in a home in 94124. \$200,000 was disbursed to the Mayor's Office of Housing and Community Development (MOHCD) to assist Certificate of Preference (COP) applicants purchase new homes at China Basin.

Next Steps Phase 1 Legacy Activities for FY23-24:

1. Contractor Assistance: Legacy Foundation and OCII will work to secure a potential organization to manage these funds.
2. Scholarship America: Remaining funds will be expended annually as part of the last two years remaining on the five-year contract with Scholarship America.
3. College Readiness and Career Skill Building: Legacy Foundation will outline components for an RFP to support a variety of non-profits in the college readiness and career skill buildings programs.

PHASE 2 COMMUNITY BENEFIT FUNDS

Phase 2 consists of a total developer contribution of \$3.5 million. The total expenditures to date are \$2,523,100 which consists of expenditures for the Scholarship Program (described below) and \$2.25 million for the Southeast Health Center and Wellness contribution. The current Legacy Fund balance for Phase 2 Community Benefits is \$976,900 (**Attachment 4**).

Scholarship Program:

\$475,000

These funds are set aside for approximately fifty scholarships per year for a five-year period for youth and adults up to age thirty living in BVHP. The program is currently in year three of Scholarship disbursement. Since 2022, this fund has awarded scholarships to 67 students from BVHP. The estimated annual expenditure of the Scholarship payments is \$91,500 per year (this may vary slightly year to year). The balance of these funds covers administrative support for the Scholarship program funds. Some of these administrative costs are also partially covered by Phase 1 community benefit funds.

Will Bass Memorial Scholarship Fund:

\$25,000

The purpose of these funds is to support educational travel to Africa or Asia. The Legacy Foundation wants to disburse \$5000 to one BVHP student (18-25 years old) per year. Legacy has discussed partnering with one or multiple institutions to distribute these funds over the next five-year period.

Insurance and Credit Support Program:

\$250,000

This contribution is for the Agency to use as part of a surety bond or credit support program solely in connection with the Phase 2 project. This will allow contractors from BVHP to obtain insurance or credit support that may be required to participate in the development of the Project. OCII will expend these funds during bidding for Candlestick Major Phase 2 infrastructure construction.

Education Improvement Fund:

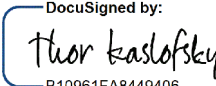
\$500,000

The funds paid to date are part of a multi-year developer contribution based on certain development triggers. These funds may be expended on new educational facilities or upgrades to existing resources and health and wellness education in schools. The Developer and the Agency may accelerate the payment of the total funds for this category for the construction of a new education facility.

Future Updates

OCII staff will present new updates on Legacy Fund expenditures this fall and 2025 Phase 1 Compliance Summary in 2026.

(Originated by Inder Grewal, Development Specialist and Lila Hussain, Senior Project Manager)

DocuSigned by:

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Thor Kaslofsky
Executive Director

- | | |
|---------------|---|
| Attachment 1: | Phase 1 Community Benefits Compliance Tracker |
| Attachment 2: | Master Developer Presentation 2023-2024 |
| Attachment 3: | Legacy Fund Balance Table |

OCII Community Benefits Agreement Compliance Analysis-Phase 1

January 2023 through December 2024

Attachment 1

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2023	2024
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 (OCIP): The purpose of this program is to allow BVHP contractors to secure adequate insurance coverage for work performed at the Shipyard. To the extent feasible the developer is required to make its OCIP program available to Local M/WBES.	In Compliance	In Progress	Due to limited insurance market capacity, it was not feasible for Phase 1 Master Developer to purchase General Liability coverage for all Lennar contractors. Consequently, in lieu of providing coverage, Phase 1 Master Developer has opted to lower their General Liability limits that are lower than the limits required under OCIP on a project-by-project basis. These lower limit thresholds allow small businesses to meet insurance requirements, in furtherance of the intent of the program under the CBA. For the 2023-2024, lower insurance limits were set at \$2.5 million less than OCIP requirements for the Block 1 streetscape (IB58).	-	In Compliance	In Compliance
	b) Surety Bond Program	In Compliance	In Progress	Master Developer has waived the surety bond requirement for BVHP area subcontractors, including payment and performance bonds.	-	In Compliance	In Compliance
	c) Technical Assistance Program (TAP)	In Compliance	In Progress	Master Developer contracted with Tyche Business Solutions, a BVHP based consultant, to administer for the Phase 1 CAP program. Tyche is located onsite in a project trailer and is open normal business hours, Monday through Friday. Lennar maintains the cost of the trailer. In 2023-2024, CAP provided assistance to over 450 BVHP contractors with technical support including, but not limited to construction software technology training, business marketing, bid proposal preparation, communication skills, change order processing, and referral assistance in acquiring financing or alternative resources. Assistance was provided one-on-one, through quarterly workshops, and networking events during this period.	-	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2023	2024
	d) Financial Assistance Program	In Compliance	In Progress	Master Developer contracted with Tyche Business Solutions, who refers participants to Chase Bank, Working Solutions, and the City' Contractor Accelerated Payment Program (CAPP) for loans, line-of-credit, and finance assistance. In 2023, 18 contractors were referred to third-party financial institutions. These financial partners also host an annual workshop. In 2023, Chase Bank hosted <i>Power of Capital</i> and in 2024, Tyche hosted <i>Retirement Options for Small Business Owners</i> .		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. In 2023 and 2024, Renaissance offered 19 workshops and classes focusing on finance, contracting, and hiring, along with referring contractors to eight industry-specific training led by community partners. These services resulted in Protégés securing over \$8.8 million in contracts and over \$1 million in capital. Moreover, Patricia Gregory, a participant and mentor, was appointed to the Small Business Commission.	—	In Compliance	In Compliance
Phase 1 § 4	<u>Community Builder Program</u> 30% of private housing developments lots to be offered for development in partnership with Community Builders. The Community Builder shall include developers with primary business address in the BVHP area.	In Compliance	In Progress	On Phase 1, 458 units are being developed in partnership with Qualified Community Builders. Block 1-224 units Block 52-77 units Block 53-12 units Block 54-12 units Block 48A-16 units Block 48 F&J-80 units Block 48K- 26 units Block 48O-11 units	—	In Compliance	In Compliance
Phase 1 § 5	<u>Interim African Marketplace (IAM)</u> Master Developer must establish an Interim African Marketplace until the permanent site is completed	In Compliance	In Progress	Master Developer organized events in 2006 and 2007 and has subsequently provided a \$180,000 cash contribution to OCII to continue work in fulfillment of the IAM program. OCII organized events in 2008 and 2009. The remaining \$80,000 balance has been returned to Master Developer. The IAM has shifted from Phase 1 to Phase 2 Development. IAM sites will be built at Candlestick Point and the future Northside Park at Hunters Point Shipyard Phase 2.	—	In Compliance	In Compliance
Phase 1 § 7	<u>Cultural Historic Recognition Program</u> Master Developer is obligated to: a) identify opportunities for recognizing and enhancing cultural and historical context b) provide opportunities for local artists to participate in creating public art	In Compliance	In Progress	OCII has implemented the Shipyard Public Art program in the public open spaces that celebrate local history. Youth tiles were also installed in the open spaces. The Phase 1 Master Developer installed signage on the site's history in October 2024. A presentation on these signs was delivered to the CAC in Spring 2024.	—	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2023	2024
Phase 1 § 7	<u>Business Incubator Space Program</u> Developer will provide space, including trailers, for business incubator program. Rent for the incubator space will be set at the levels necessary to recover the costs of providing the space without a profit, for so long as the Developer and affiliates are engaged in development activities at the Shipyard. Additionally, Developer will identify publicize and provide opportunities at the Shipyard for local start up.	In Compliance	In Progress	To date no commercial nor retail spaces have been built as part of the development. Given the limited amount of retail programmed planned in Phase 1 this program element may be incorporated into the larger Phase 2 development.	—	In Compliance	In Compliance
Phase 1 § 8	<u>Home Buyer Assistance Program</u> Master Developer is required to develop a program to provide assistance to qualified Phase 1 home buyers, including: a) Down Payment Assistance, b) First Time Buyer Financing Program, c) Homeownership Counseling	In Compliance	In Progress	The Down Payment Assistance and First Time Buyer Financing Programs are set forth in the Vertical DDAs. Master Developer and Vertical Developers are required to work with a mortgage company that has a zero down-payment option for qualified buyer. Lennar is unable to provide 0% down payment loans as the market does not support the availability of this loan type. Lennar is currently offering buydown rates for select homes at the Shipyard that are below the current rates offered in the market. These lower rates are offered either on 30-year or variable Adjustable Rate Mortgage depending on market conditions. The Developer did not meet its obligation to provide workshops and counseling services for homeownership in 2023 due to staffing shortages and COVID 19. However, workshops resumed in late 2023 and Phase 1 Master Developer is compliant with this requirement in 2024.	While Lennar fell short of meeting their quarterly workshop obligation in 2023, they offered two virtual and three in-person home readiness workshops in 2024.	Partial Compliance	In Compliance
Phase 1 § 9	<u>Job Training and Employee Assistance Program</u> Master Developer must contribute \$225,000 per year to fund community based organization that provide suitable job training services.	In Compliance	In Progress	Phase 1 Master Developer is required to contribute \$225,000/year for Job Training and Employee Assistance Programs. In 2023, Developer contributed \$251,626 and \$207,500 in 2024. These payments served 407 participants during the compliance period, with 65% of participants being placed in jobs across 50 different employers	Through 2024, Lennar is \$5,889 short of their cumulative obligation of \$4.5 million. However, Lennar is working with their contractors to expend the remaining balance in 2025, on top of their annual obligation of \$225,000.	In Compliance	In Compliance
Phase 1 § 10	<u>Local Community Priority Leasing Program</u> Master Developer must encourage local businesses to lease available retail spaces within Phase 1 by actively notifying local businesses of upcoming leasing opportunities	In Compliance	Not Applicable	To date no retail space has been developed in Phase 1.	—	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2023	2024
Phase 1 § 11	<u>Small Business Assistance Program</u> Master Developer is required to identify opportunities to assist small businesses in BVHP with obtaining contracts by: a) creating and bi-annually updating a directory of local small businesses, b) requiring its contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all of their Shipyard Project related purchases from BVHP Area Small Businesses. Contractors and consultants are required to provide monthly progress reports on the dollars spent with BVHP Area Small Businesses. Lennar is required to include language in their contracts with consultants and contractors regarding this obligation. c) host quarterly (or less if determined by Agency and Lennar) networking workshops for BHVP Area Small Businesses	In Compliance	In Progress	a) Master Developer runs the Small Business Assistance Program (SBAP) through Tyche Business Solutions who administers the technical and financial assistance programs under CAP. Tyche currently publishes a directory of local suppliers and acts as a contractor liaison, they are located onsite. b) Developer has included language in contracts with consultants and contractors to purchase supplies from BVHP Area Small Businesses. For the Block 1 streetscape project, Minerva attempted to procure materials from BVHP small businesses. However, area small businesses did not offer the needed materials. c) In 2023, the Developer fell short of providing quarterly networking meetings. However, the Developer has hosted quarterly networking workshops in 2024, including multiple "Supplier Meet & Greet" and "Meet the Primes".	While Lennar fell short of meeting their quarterly networking workshop obligation in 2023, they resumed this program in late 2023 and is compliant in 2024.	Partial Compliance	In Compliance
Phase 1 § 12	<u>Outreach Program</u> Master Developer is required to disseminate project information, in addition to program specific information, via website, quarterly newsletters, special mailings and similar outreach activities. Master Developer is also required to translate communications into Chinese, Spanish and Samoan.	Compliance	In Progress	The Phase 1 outreach activities were done through the CAP and directly by Lennar. They both disseminated project information directly to contractors including local trades and suppliers. Outreach activities include: - Regular outreach to local small businesses - Notifying contractors, professional services, truckers, and suppliers of upcoming HPS RFP/RFQ's posted on the City's Bid and Contracts website - Sharing information via office visits, e-blasts, texts, flyers, newsletters, and phone - CAP also provides LBE/DBE/SBE Certification information for local contractors to LBE certified with the City, SBE with the State, and DBE with Federal agencies In 2024, the Developer began advertising housing opportunities and workshops in multiple languages, including English, Spanish, Chinese, and Samoan.	–	In Compliance	In Compliance
Phase 1 § 13	<u>Status Reports</u> Master Developer is required to provide a quarterly written status report to OCII and CAC. Additionally, Master Developer is required to make a Status Report presentation to CAC.	In Compliance	In Progress	Master Developer submitted reports 2023 and 2024 Q1-Q2 reports to OCII. Master Developer presented an update of the Community Benefits Report to the BVHP CAC on November 21, 2024.		In Compliance	In Compliance
Phase 1 § 12	<u>Community Facilities Parcel</u> Master Developer is required to provide a 1.2 acre developable lot for community uses. (The remaining 4.8 acres will be provided in Phase 2)	In Compliance	In Progress	A 1.2 acre lot has been assigned as Phase 1 Community Facilities Parcel. Master Developer will provide the parcel to OCII as developable lot. Agency and Developer to work in collaboration with CAC to undertake a planning process which sets forth the acceptable use of Community Facilities Parcels.	–	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2023	2024
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

**HPS 1
Community
Benefits 2023
& 2024
Presentation**

LENNAR®

Shipyard

Program Expenditures/Payments To Date

From Inception thru 2024

DDA Programs	
Community Benefits Fund	1,000,000
Construction Assistance Program	2,662,274
Interim African Marketplace	192,000
Job Training & Employee Assistance	4,908,236
Outreach Program (incl Homebuyer Assistance)*	1,347,079
Small Business Assistance Program	120,655
DDA Subtotal:	\$10,230,244

*Does not include contracts with outreach consultants

LENNAR®

Development Projects Completed

- HPSY Blocks 50-75
- HPSY Regional Parks – Innes Court Park & Hillpoint Park Overlook
- HPSY Pocket Parks 9-16
- HPSY Galvez Overlook and Coleman Promenade
- Hilltop Streetscape

Development Projects Underway

- HPSY Block 48 (Design Development and Permitting)
- HPSY Block 52 (Certificate of Completion)
- Hillside Infrastructure (Permitting)
- HPSY Block 1 Community Builder/Third Party Developer (Design Development)

Phase 1: Housing Units

Block Numbers	Total Units	BMRs	Status
1	224	24	Design Development
48	404	56	Design Development/Permitting
49	60	59	Completed
50	25	3	Completed
51	63	6	Completed
52	77	9	Substantially Complete
53	93	9	Completed
54	66	7	Completed
55E/W	25/41	3	Completed
56A	36	3	Completed
57A/B	96	12	Completed

CONTRACTOR ASSISTANCE PROGRAM

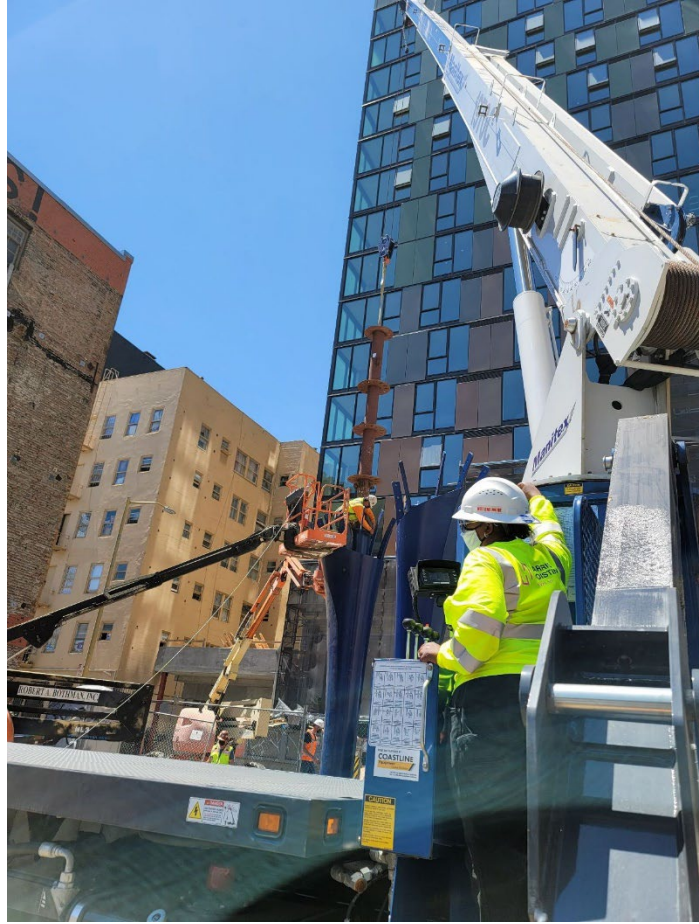
- **CONTRACT ASSISTANCE PROGRAM (\$2,662,274 THROUGH 2024)**
- Lennar assists BVHP contractors by providing:
 - Waiving surety program and lowering insurance requirements
 - Provide onsite technical assistance Monday-Friday
 - Tyche acts as a Contractor Liaison and maintains a site office open M-F offering technical assistance to BVHP contractors in the Shipyard. Tyche also hosts Contractor Workshops on a range of topics related to contracting opportunities including accessibility, project management, and networking. Workshops offered during this period included: Retirement Options for Small businesses (x2), Power of Capital, Credit Readiness, Meet the Primes (x3) and Trucking Informational.
 - Lennar's funds various subcontractor programs that provide Financial educational support to the BVHP SBE

Phase 1: Contractor Assistance Program Mentorship Protégé Program

- Lennar expended \$100,800 towards the mentorship program administered by Renaissance Entrepreneurship Center.
- The Protégés received business and administrative support, mentoring, peer support, access to capital and affordable office space to obtain local business entity (LBE) certification. In 2023 and 2024 Proteges were able to secure contracts in total value of \$8,832,470.
- Over 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.
- Spotlight story on Tana Harris of Harris Hoisting. Service-Disabled Veteran Owned Small Business (SDVOSB), Woman Business Enterprise (WBE), Minority Business Enterprise (MBE), Disadvantage Veteran Business Enterprise (DVBE), Micro Small Business (SB) and Local Business Enterprise (LBE) that provides hoisting and lift services for large vertical projects in the San Francisco Bay Area.

Protégé Spotlight: Tana Harris, Harris Hoisting

"I came to Renaissance with just a thought, and I was able to nurture it into a business with their help." – Tana Harris



LENNAR®

Job Training and Employee Assistance Programs

- Lennar is required to contribute \$225,000/year for Job Training Assistance
- In 2023 Lennar paid out a total of \$225,400 for job training and employee assistance programs. In 2024 mid year Lennar increased the contract to a total of \$257,900 for the job training and employee assistance programs for all of 2024.

-YCD Job Training Grant - \$175,000.00/year in 2023 and \$207,500/yr in 2024

During this reporting period, program participants were indentured into Local Unions 261, 67 and 22. Environmental Protection Agency Cohort 2024 Members had a total of 15 participants with 8 graduating with certificates. Focus spotlight on Darnell Anderson who was part of the EPA Cohort 2023 graduating class. He has secured a position within KM106 Construction Company.

-Renaissance Entrepreneurship Center - \$50,400/year

During this reporting period, classes and workshops focused on general business development covering finance, contracting and hiring for small business owners.

Phase 1: Community Builder 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
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: Lennar to fund horizontal infrastructure to support these parcels. OCII, CAC and Developer will need collaborate on a plan for future use of these parcels.



The San Francisco Shipyard - Phase 1

Compliance Summary 2023 & 2024

Challenges

- Phase 1 Master Developer complied with the majority of Phase 1 Community Benefit obligations, with the following exceptions:
 - Homebuyers Assistance: Lennar was only able to offer one workshop in late 2023 however in 2024 Lennar offered quarterly workshops both in person and virtually.
 - Lennar teamed up with SFHDC to offer an in-person community workshop in October and December 2024.
 - Small Business Assistance Program: Lennar did not meet the quarterly networking goal in 2023, but this program has resumed in 2024. Workshops and BMR advertising is occurring in 2024 and being communicated in English, Spanish, Chinese and Samoan.

2024 Update

- Developer continues to work with community partners to prepare BVHP subcontractors and future homebuyers for opportunities at the Shipyard.

HPS/CP Community Benefits/Legacy Foundation Cash Balances and Allocation Summary							
Project Designation (HPS1, CP/HPS2, ALL)	Contract Status	Type of Funds (LF=Legacy Fund Agency Admin)	Item Description (LF =Legacy Fund)	Budget Allocation	Expenditures to Date	Remaining Balance	Revenue Detail
HPS1	Active	LF Phase 1	Living Stipends (\$10,000 per year) Scholarship America	\$ 50,000	\$ (30,000)	\$ 20,000	Developer: HPS P1
HPS1	Active	LF Phase 1	Scholarship Admin Cost (Phase 1 allocation)	\$ 25,000	\$ (18,080)	\$ 6,920	Developer: HPS P1
HPS1	Completed	LF Phase 1	LF1 Carla Dartis Strategic Plan Consulting Service	\$ 30,685	\$ (30,685)	\$ -	Developer: HPS P1
HPS1	Completed	LF Phase 1	LF1 Hacker Hub	\$ 25,000	\$ (25,000)	\$ -	Developer: HPS P1
HPS1	In progress	LF Phase 1	LF1 Contractor Assistance Fund - HPSY P1	\$ 250,000	\$ -	\$ 250,000	Developer: HPS P1
HPS1	Completed	LF Phase 1	2020 LF1 Homeownership Down Payment Assistance - HPS P1	\$ 180,000	\$ (180,000)	\$ -	Developer: HPS P1
HPS 1	In progress		2024 LF Homeownership Downpayment Assistance	\$ 200,000	\$ (200,000)		Developer: HPS P1
HPS1	TBD	LF Phase 1	College Readiness and Skill Building	\$ 200,000	\$ -	\$ 200,000	Developer: HPS P1
HPS1	In progress	LF Phase 1	Community Building	\$ 39,315	\$ (22,869)	\$ 16,446	Developer: HPS P1
Total Phase 1 Cash Balance				\$ 1,000,000	\$ (506,634)	\$ 493,366	
CP/HPS2	Active	LF Phase 2	LF2 Scholarship Fund and Travel Scholarship	\$ 475,000	\$ (273,100)	\$ 201,900	Developer: HPS P2
CP/HPS2	TBD	LF Phase 2	Will Bass Educational Travel	\$ 25,000	\$ -	\$ 25,000	
CP/HPS2	TBD	Agency Admin	Education Improvement Fund	\$ 500,000	\$ -	\$ 500,000	Developer: HPS P2
CP/HPS2	TBD	Agency Admin	Insurance Credit Support Program (Surety Bond)	\$ 250,000	\$ -	\$ 250,000	Developer: HPS P2
CP/HPS2	Completed	Agency Admin	Southeast Health Center and Wellness Contribution	2,250,000	\$ (2,250,000)	\$ -	Developer: HPS P2
Total Phase 2 Cash Balance				\$ 3,500,000	\$ (2,523,100)	\$ 976,900	
Total Phase 1 and Phase 2 Cash Balance					\$	1,470,266	